CANADA

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HOUSE OF COMMONS

Tuesday, December 9, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

AIR TRANSPORT

REQUEST FOR STUDY OF LANGUAGE DIRECTIVES FOR AIR-TO-GROUND COMMUNICATIONS—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning an urgent and important matter.

Since two employees of the Quebec air service have been suspended from duty because they dared speak French in a field where the federal government supports the use of the English language, since this suspension may seriously affect the whole air service in the province of Quebec and even disrupt it completely, given also the policy of the Quebec government which makes French the official language in Quebec, and since the federal government advocates bilingualism to the point of spending enormous sums of money for that purpose, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House study immediately the matter of languages in relation to the Quebec air service in order to take efficient measures as soon as possible to prevent such incidents from happening again.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

HOUSE OF COMMONS

ALLEGED MISUSE OF COMMITTEE SYSTEM—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. The urgency exists in the fact that representative democracy has been severely challenged by some recent actions of this House. I refer to the deplorable and unscrupulous actions of a government minister in regard to Bill C-58, which was passed, unwillingly, through committee stage last night. While in the original committee there was a significant measure of consensus, the government, for its own self-interest, found fit to remove two of its own members from the committee and to compel others to vote against their well-known and studied opinions, with the result that the committee system became a charade, a rubber stamp of a minister and not a group for analysis and persuasion.

Mr. Speaker: Order, please. Without permitting the hon. member to go further, I can tell him now that this is not a proper subject for a motion pursuant to Standing Order 43.

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[*Translation*]

AIR TRANSPORT

PROPOSED DEBATE ON INTRODUCTION OF FRENCH INTO AIR-TO-GROUND COMMUNICATIONS—MOTION UNDER S.O. 43

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, pursuant to the terms of Standing Order 43, I request unanimous consent of the House to present a motion dealing with an important and urgent matter, as my hon. colleague from Rimouski pointed out.

As, on December 8, 1975, two controllers at the Montreal Central Air Traffic Control were suspended for having used the French language in their communications by telephone with the ground, while working in jobs designated as bilingual, and as the Official Languages Act of Canada gives French the same status as English in all departments, agencies and institutions of the Parliament and government of Canada, I move, seconded by the hon. member for Matane (Mr. De Bané):

That this House now adjourn its proceedings to allow a debate on the steps to be taken to make the use of French a fact, as soon as possible, in air traffic control operations in all airports located in the province of Quebec.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR ESTIMATE OF GROWTH IN GROSS NATIONAL PRODUCT IN 1976

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance. In light of the disturbing figures on unemployment today, which I am sure disturbs the Minister of Finance as well as the rest of us, can the minister give us a reassuring forecast of growth in the gross national product for 1976, or at least for the first quarter of 1976? I am sure his department must have such a figure. Would the minister give it to us?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as the hon. gentleman says, I share his concern about the level of unemployment in Canada. While there has been some indication in the results for the last quarters of 1975 that there has been a pickup in the economy, I think it is very difficult at the moment to make any accurate prediction with regard to the first quarter of 1976.

● (1410)

PROPOSED ESTABLISHMENT OF SHORT-TERM ECONOMIC FORECASTING UNIT—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a supplementary question for the right hon. Prime Minister who will recall that a number of years ago the Economic Council of Canada recommended the establishment of an independent short-term economic forecasting unit, a suggestion to which I frequently lent my moral support. In view of the secrecy of the Department of Finance about providing the public with such forecasting information and the importance of the public having this, will the Prime Minister now consider somewhat more sympathetically than in the past the establishment of such independent short-term forecasting to serve Canadians as well as the Canadian government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must disagree with the hon. member when he suggests secrecy beyond that which exists around the budget. Of course, when the minister presents the budget he indicates the economic basis on which he is making certain financial decisions but the hon. member knows budgets are periodic; they are not made from month to month. On the hon. members's suggestion for a new forecasting unit, I must point out that several units exist across the country in the private sector or in the universities. I hesitate at this time to engage increased expenditures to carry out the purpose intended by the hon. member.

ANTI-INFLATION PROGRAM—POSSIBILITY OF MEETING WITH PROVINCIAL PREMIERS TO ACHIEVE NATIONAL SUPPORT FOR GUIDELINES

Hon. Robert L. Stanfield (Leader of the Opposition): A final supplementary, Mr. Speaker, and I think the Prime Minister might effect some economy if he would take some initiative to bring these forecasting units together. They could be strengthened and money could be saved at the same time. In view of the economic uncertainty and the indication from several polls that a large number of Canadians question the effectiveness of the government's economic controls program although supporting its purpose, and in view of the fact that the Minister of Finance indicated yesterday that some of the provinces at least are not prepared to support the anti-inflation program put to the provinces in general terms by the Prime Minister on October 13, is the Prime Minister considering inviting the provincial premiers to come to Ottawa before the end of the year in order to make a very determined effort to achieve national backing for the government's program which would reinforce public support and public confidence in the program?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is possible that in the future we will have to have such a meeting of first ministers but I do not contemplate having one before Christmas. I certainly do not draw the same conclusion as the hon. member from the statement made by the Minister of Finance. We are going toward a consensus and there is general agreement in the provinces to support the federal program. Some provinces are availing themselves of the provisions under the act which allow them to go ahead on their own—through section 4(4) I believe—but the very fact that they are discussing it shows there is a strong desire to support the general federal approach to inflation.

* * *

MANPOWER

STEPS TO MATCH UNEMPLOYED WITH JOB VACANCIES—LENGTH OF ATTACHMENT TO LABOUR FORCE BEFORE BECOMING UNEMPLOYED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In order to assist the Minister of Finance with respect to the unemployment rate for 1976, I would point out that the Minister of Manpower and Immigration indicated that his personal estimate was something like 7 per cent. Be that as it may, and keeping in mind the unacceptable rates of unemployment we are faced with today and considering that the help wanted index shows there are some 75,000 employment vacancies, may I ask what steps the minister has taken to match those out of work and seeking work to employment vacancies, particularly amongst the 14 to 24 age group? Can the minister report any progress in this regard?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the hon. member knows the myriad programs directed to solving the prevailing problem, not the least of which are mobility, training, manpower counselling, job information centres, direct employment and many others which we have discussed at some length at various meetings.

Mr. Alexander: Mr. Speaker, we must keep in mind that what the minister has just stated has not been effective for our use. Keeping in mind that the unemployment rate for those between the ages of 14 and 24 has increased some 13.3

per cent, can the minister tell the House whether a significant proportion of the 371,000 unemployed in this category have had a prolonged attachment to the labour force prior to becoming unemployed, or whether there is a noticeable trend showing that people in this group work for eight weeks, then draw unemployment insurance for one year? Is there this trend?

Mr. Andras: Mr. Speaker, I will be glad, on a more appropriate occasion, to consider statistical trends after I have had the opportunity to look in more detail at the most recent information on which the hon. member bases his question.

OPPORTUNITIES FOR YOUTH PROGRAM—GOVERNMENT INTENTIONS WITH REGARD TO FUTURE OF PROGRAM

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I ask a final supplementary question? As the unemployment problem affecting our youth is extremely severe, does the government still intend to scrap OFY, as indicated, even though by next summer we shall see many university and high school students seeking employment?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think the hon. member might wait for decisions announced in the House instead of indulging in speculation based on newspaper reports.

Mr. Trudeau: What do you advise? Tell us.

Some hon. Members: Oh, oh!

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—GOVERNMENT INTENTIONS WITH REGARD TO MEASURES TO ALLEVIATE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Finance. As 734,000 people now are unemployed, which means a 40 per cent increase in year over year unemployment figures, how long will the government "hang tough", to quote the Prime Minister, before bringing in programs which will positively affect unemployment levels in Canada?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have no announcements, particularly with respect to the budget, to make at this time.

INFLATION—GOVERNMENT VIEW OF FUNDAMENTAL ECONOMIC PROBLEM

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. Considering that the economy is operating much below capacity, some saying it is operating at only 82 per cent of capacity, is it still the view of the minister that the fundamental economic problem which we, as a country, face, is that people are trying to take more from the economy than the economy can produce?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that remains of fundamental concern, particularly as by adding to the productivity costs of Canadian enterprises we may, over a time, price ourselves not only out of foreign markets but out of Canadian markets as well. A very significant contributing factor to the high level of unemployment in this particular quarter has been the reduction in the level of activity of some of our principal foreign markets, notably, the United States, Europe and Japan. We have noted with interest and concern some indication of a revival in these particular markets and recognize that the Canadian economy, being so strongly export-based, will continue to face difficulty until there is a strong recovery on the part of some of our customers.

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GOVERNMENT ADMINISTRATION

SUGGESTION GOVERNMENT RECONSIDER MAJOR CUTBACKS IN PROGRAMS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to a second minister, the President of the Treasury Board? My question has to do with reports to the effect that the minister contemplates cutbacks in federal programs. Has the minister calculated the net economic effect on the community of such cutbacks? By this I mean has he, or the government, subtracted the cost of unemployment insurance and welfare payments for newly unemployed civil servants from the savings to the treasury which would first accrue from cutbacks in those programs the minister is contemplating? If the government has made such studies, can the minister assure the House that it will think twice—

Mr. Stanfield: Sink twice!

Mr. Broadbent: —before embarking on such major cutback programs?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I made no public statement on the expenditure program for next year. When the program is ready, it will be announced through the usual channels.

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AIR TRANSPORT

SUSPENSION OF TWO COMMUNICATIONS EMPLOYEES IN QUEBEC FOR USING FRENCH

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of Transport.

In the context of problems raised by the use of French in air to ground communications, the Minister of Transport told the hon. member for Champlain in this House on November 21 that "the study in relation to the possible use of the French language in other areas of flight operations is going on" how then can the minister explain yesterday's suspension of two Quebec air service employees who presumably used the French language in their communications?

● (1420)

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, at this point in time there are obviously a number of infractions of our regulations. There was this recent incident of the use of the French language contrary to the rules. I understand that a few days ago there was an infraction in the refusal by an Anglophone to use French, although he is bilingual. In each case it is necessary for us to enforce the regulations as they stand. It is our objective to work in a quiet atmosphere of good sense and good will to allow for the use of the French language where reasonably possible, but we have to do so with the serious consideration of safety.

[*Translation*]

PROPOSED MODIFICATION OF BILINGUAL AIR-TO-GROUND COMMUNICATIONS REGULATIONS TO GIVE EQUALITY TO FRENCH

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to ask a supplementary question.

Considering the importance of the question just raised and the answer of the Minister of Transport, and considering the fact that at the last international conference of French-speaking parliamentarians the matter of the language used in air-ground communications was raised, and that the delegates committed themselves to promote in their respective Parliament the use of the French language, through motions or resolutions, my question is the following: Is the Minister of Transport prepared without reservation, to allow the use of French in Canada in the aeronautic field and to recommend that the regulations be amended in order that this language be used as much as English?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it would perhaps take a long statement to indicate to the hon. member the progress we have made and are making. I will send him that kind of long statement. We have had a number of studies and are having more. We have constant contact between our safety officials and the various people in all parts of the country involved in air traffic and air traffic control with the object of determining what procedures are necessary in order that further steps can be taken with regard to safety to allow the use of the French language and the English language in air travel and air communication.

[*Translation*]

SUSPENSION OF TWO COMMUNICATIONS EMPLOYEES IN QUEBEC FOR USING FRENCH

Mr. Pierre De Bané (Matane): Mr. Speaker, I wish to ask a last supplementary question.

The Minister of Transport talks about security, but considering that the two employees dismissed yesterday without pay were two French-speaking employees talking between themselves over the telephone, that it was not a ground-to-air conversation but a ground-to-ground telephone conversation, and that those civil servants were dismissed without pay, how can the minister refuse to admit that this is not only a glaring injustice but also an abysmal absurdity as regards security?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will double-check the circumstances to determine whether a rule was offended. If so, then one understands that these rules in this very important area must be adhered to. It is only if we see that the rules can be changed that a different practice can be followed. If there was no infraction, no failure to abide by the rules, the matter would be on a different basis; I will look into that part of it.

POSSIBILITY MR. ARPIN WILL SUCCEED MR. McLEISH AS DIRECTOR GENERAL

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a supplementary question for the Minister of Transport. Will he inform the House whether Mr. Peter Arpin, the Quebec administrator of aviation, will be succeeding Mr. McLeish as director general of aviation for that particular segment of his department?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will double-check on any future possibility. At the moment, I know of no such change.

EFFECT ON SAFETY OF BILINGUAL AIR-TO-GROUND COMMUNICATIONS

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a supplementary question about this very important matter of language rights and air-ground communication. Are the minister and his department convinced that the use of two official languages in air-ground communication will be beneficial to airline safety?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the question really is what procedures are required in order to ensure that safety can be preserved. We believe that the safety elements have been satisfied in the steps we have taken so far, which was to allow the French language in air to control tower communications in the five specific airports for visual flights. Indeed, we have adopted some new procedures to further ensure safety. I am satisfied with that. We are looking at the question and have general agreement on all sides that advisory communication should be available in both languages throughout the province of Quebec. The more delicate questions of instrument flight and extending French language use to visual flight at other airports are the subject of ongoing discussions between our safety people and the persons using the service who will be primarily affected.

An hon. Member: You will get somebody killed, eventually.

FINANCE

REQUEST FOR ESTIMATE OF BUDGETARY DEFICIT

Mr. Bill Kempling (Halton-Wentworth): A question for the Minister of Finance, Mr. Speaker. Taking into account seasonal patterns of expenditure and revenue, Fry, Mills and Spence Limited has predicted a budgetary deficit of at least $6.5 billion and more likely $7.5 billion. In response to questions in the House, the minister has repeatedly refused to clarify the question of the budgetary deficit for the present fiscal year without explaining the reason for his refusal. Is the hon. gentleman now in a position to tell us whether he still finds the budgetary deficit of between $5 billion and $6 billion cited in the budget of June 23 a probable figure for the current fiscal year?

Hon. Donald S. Macdonald (Minister of Finance): The figure referred to is the figure for the cash requirement.

* * *

ENERGY

SUGGESTED INVESTIGATION OF SOUTH AFRICAN PLANT PRODUCING GASOLINE FROM COAL

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. A short time ago the minister of economic affairs for South Africa announced that the South African Coal, Oil and Gas Corporation known as SASOL, intends to build a second plant to produce gasoline, diesoline and other petroleum products from coal. Each day, the original plant, the only one of its kind in the world, crushes 2,200 tons of coal and each hour nine million cubic feet of gas is produced. Bearing in mind our own high unemployment rate, the high level of our coal reserves and our need for new energy sources, may I ask whether the minister has given any thought to visiting South Africa to examine this process in the hope that a similar coal-to-gasoline project might be established in Canada?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I do not think it will be possible for me to visit South Africa in the near future but I am discussing this question with my officials and I hope we shall be able to send an expert to South Africa to check into the process the hon. member has described.

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EXTERNAL AFFAIRS

PROPOSAL THAT PALESTINIAN LIBERATION ORGANIZATION BE GIVEN CHOICE BETWEEN DIPLOMACY AND TERRORISM

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Considering that those who have an interest in peace and justice in the Middle East have a duty to demand that the PLO make a clear choice between diplomacy at the United Nations and terrorism, will Canada insist at the UN or elsewhere that in order to aid negotiation the PLO undertake at the level of Mr. Arafat a binding renunciation of terrorism and at the same time recognize Israel's right to exist?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): We have not as a government recognized the PLO as a representative of the Palestinian people. I have already stated at the United Nations that these conditions ought to be met by any group wishing to participate in any negotiations, namely that terrorism be abandoned and that the right of Israel to exist as a state be fully respected. This has been insisted upon, but I would add that up to the present time we have not recognized the PLO as a representative of the Palestinian people for reasons which have already been made known to the House.

SUGGESTED RENUNCIATION OF TERRORISM BY PALESTINIAN LIBERATION ORGANIZATION BEFORE REPRESENTATIVES ADMITTED TO CANADA

Mr. Claude Wagner (Saint-Hyacinthe): In the light of the answer given by the Secretary of State for External Affairs, may I ask whether Canada will insist that this renunciation and this recognition become *sine qua non* conditions which must be met before PLO representatives can be admitted to this country as delegates to any UN conference?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker. That would mean an importation of matters into our immigration entrance requirements which have not hitherto been considered by any government, and I hope will never be.

● (1430)

Mr. Wagner: A supplementary question, Mr. Speaker. Would the minister not consider that one should go beyond the simple condemnation of violence? In this particular case, is the minister not prepared to set as Canada's posture in the future conditions that he has already admitted are reasonable?

Mr. MacEachen: Mr. Speaker, I will send the statement that I made at the United Nations to the hon. member so that he will see that before the general assembly Canada took a position on the question of both violence and terrorism as a method of gaining political objectives, a method we condemn. Of course, the importance we attach to the recognition of the state of Israel is a fundamental cornerstone of our policy.

With respect to the admission of individuals to Canada, my colleague the Minister of Manpower and Immigration has already stated that, even though the PLO is a prohibited organization under Canadian law, members of the PLO would be admitted to Canada under ministerial permit if invited by a reputable Canadian organization or to attend United Nations conferences. But in no case—and obviously this would be applied across the board—would any individual be admitted to Canada who has a record of terrorism. This certainly meets the point the hon. member has been making.

Oral Questions

AIR CANADA

ESTEY REPORT—GOVERNMENT ACTION ON RECOMMENDATIONS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the fact that the report of Mr. Justice Estey makes reference to practices of a type that would be discouraged or prohibited in other industries and illustrates what has been occurring in commercial airlines, making specific mention of kickbacks, and so forth, due to the necessity of competing in the travel business, would the minister reconsider his recent statement that the airline, meaning Air Canada, would be made to act more like other commercial airlines?

Hon. Otto E. Lang (Minister of Transport): I think the hon. member may rather be referring to restrictive practices which it would be better to see removed rather than the contrary, since some of the consequences that he points to are the result of international arrangements rather than national ones.

Mr. Benjamin: A supplementary question, Mr. Speaker. Mr. Justice Estey's report also calls for tighter internal and external scrutiny of Crown corporations. In view of the fact that the government has effectively curtailed operations of the Standing Committee on Transportation for the past three or four years, would the minister assure the House that henceforth the annual reports of Canadian National and Air Canada will be presented to parliament and subsequently referred to the Standing Committee on Transportation for scrutiny in order to abide by Mr. Justice Estey's recommendations?

Mr. Lang: Mr. Speaker, in this area, as in all others having to do with transportation policy, I would be delighted to see the Standing Committee on Transport play a full role. This has been our practice with regard to other major areas and it is the case here, too.

ESTEY REPORT—POSSIBLE PUBLICATION OF CONFIDENTIAL SECTION

Mr. Les Benjamin (Regina-Lake Centre): A final supplementary question, Mr. Speaker. With regard to the part of Mr. Justice Estey's report that the minister considers confidential, I notice the press quoted the minister as saying that the confidential report contains nothing of major public interest. If the minister is quoted correctly, would he now agree that the co-called confidential report that he said has no major item of public interest in it should be made public and made available to the House?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, that particular remark was in answer to a question concerning the impact of the report on a variety of decisions in which we may take an interest in this House. That is as far as I want to go in regard to making any reference to the content of the report. The report is confidential because the commissioner made it so.

[Mr. MacEachen.]

POST OFFICE

DATE OF SUBMISSION OF SETTLEMENT WITH POSTAL UNION TO ANTI-INFLATION BOARD—CONTINGENCY PLAN IF SETTLEMENT REJECTED

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Postmaster General. Since it is about a week since the mail workers returned to work and it is considerably longer than that time since the Anti-Inflation Board have known of the government's final wage offer, would the minister inform the House when the minister or minister's officials submitted the draft contract arrangements to the Anti-Inflation Board, and can he tell us when we can expect a decision?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the ratified collective agreement is before the Anti-Inflation Board. I must plead ignorance to the precise day, having left it up to my officials. I have not heard yet from the Anti-Inflation Board as to whether it meets with their approval or disapproval or whether there is any particular area of clarification needed by the board. I am naturally waiting anxiously for their decision. In the meantime, we are proceeding as if the collective agreement were in force and are paying the wages outlined in the proposed new collective agreement.

Mr. McGrath: A supplementary question, Mr. Speaker. Since the Anti-Inflation Board has had the government's final wage offer for some considerable time, and since it now appears as if any delay is the result of a split between the board as to whether or not to ratify the contract—and hence my question is not entirely hypothetical—what contingency plans does the minister have in the event that the Anti-Inflation Board offers his contract with the postal workers as a sacrifice on the altar of restraint?

Mr. Mackasey: Mr. Speaker, I have said on numerous occasions that we have tried to negotiate collective agreement within the spirit of the guidelines. I have said further that I am prepared to speak on behalf of the union if such is necessary in the event that there are areas that need to be clarified. As to what would happen if theoretically the collective agreement were rejected by the Anti-Inflation Board I cannot say until I have had an opportunity of studying the regulations that are probably now being set up, or which will be set up the moment that the law comes into existence.

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EXTERNAL AFFAIRS

INDONESIA—SUGGESTED CANCELLATION OF ASSISTANCE IN PULP AND PAPER PROJECT IN VIEW OF INVASION OF TIMOR

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the right hon. Prime Minister and arises from recent announcements made by the Minister of Industry, Trade and Commerce that the government is interested in assisting in a pulp and paper complex in Indonesia, through a third world project partnership agreement between France and Canada. In view of the recent invasion by Indonesia of Portuguese Timor and of the apparent corrupt and barbaric regime of President

Suharto, dictator of Indonesia, will the Canadian government now abandon such plans and keep our money at home for better purposes?

Right Hon. P. E. Trudeau (Prime Minister): I do not share the hon. member's premise, Mr. Speaker.

Mr. Alkenbrack: Ten o'clock.

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POST OFFICE

ALLEGED DISCRIMINATION AGAINST SMALL COMMUNITIES DENIED HOME DELIVERY—GOVERNMENT POSITION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I direct my question to the Postmaster General. In view of the fact that residents of cities have their mail delivered to their doorsteps while we in smaller communities in western Canada have to pay post office box rental and pick up our own mail, does the Postmaster General not now think it is time to discontinue this discrimination?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, may I thank the hon. gentleman for giving me advance notice of his question.

Some hon. Members: Oh, oh!

An hon. Member: We are lucky to get any mail.

Mr. Mackasey: Hon. members opposite think it funny that there is at least one gentleman in their ranks. There are criteria making a distinction as to whether mail is to be delivered door to door or picked up. That criteria depends on whether the population of the community varied anywhere from 2,000 to 5,000, and the rate growth. Until it becomes more economical to deliver door-to-door, we ask the people to pick up their mail at general delivery or, preferably if they have a box, to use their own mailboxes and pick up their own mail at their convenience.

* * *

● (1440)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

AGREEMENT WITH NEW BRUNSWICK FOR HIGHWAY CONSTRUCTION—ALLEGED PROVINCIAL COUNTER PROPOSAL

Mr. Herb Breau (Gloucester): Mr. Speaker, I wish to put a question to the Minister of Regional Economic Expansion.

In view of the announcement by the premier of New Brunswick before the Legislative Assembly of a federal counter-proposition concerning an agreement on highways, in reply to a proposition made by the New Brunswick government, which apparently was unacceptable to the federal government, could the minister check with his officials whether that counter-proposition really has his approbation, or whether it simply is a working document for his officials?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I thank the hon. member for his question. I will surely check into that statement the New Brunswick premier made yesterday before the assembly and I will try to communicate with the hon. member to give him full details on the point he raised. I hope I will be able to give him very helpful information.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

PROTEST AGAINST PROPOSED PIGGYBACK TERMINAL IN WINNIPEG—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, last Thursday the city of Winnipeg sent a telegram to the federal Cabinet requesting it to rescind an order in council allowing a CNR piggyback terminal to be located in southwest Winnipeg adjacent to residential areas proposed and existing. Would the government House leader indicate whether any action has been taken by the government to date in this regard?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I am not quite sure why the question was referred to me but, at any rate, I will make inquiries.

* * *

AGRICULTURE

REDUCTION IN SUBSIDY TO INDUSTRIAL MILK PRODUCERS—REQUEST FOR CONSIDERATION FOR CREAM PRODUCERS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, in view of the fact that the Minister of Agriculture announced on November 4 a decrease in the subsidy payments to industrial milk producers based on a production increase of 11 per cent, and in view of the fact that cream producers have actually had a reduction in production, does the minister not feel that to deal fairly and equitably with the cream producers their situation should be acted on separately?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, they are all in the cost-sharing program. I want to make it clear that I did not decrease the subsidy as announced last April. We are still paying the same amount of money as we said we would because it is based on a certain amount of production. We are investigating the suggestion made by the hon. member about cream producers to determine whether anything can or should be done.

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HEALTH

MERCURY POISONING IN TESTING OF CREE INDIANS IN QUEBEC—CO-OPERATION WITH OTHER FEDERAL AND PROVINCIAL DEPARTMENTS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, would the Minister of National Health and Welfare tell the House exactly when his department will begin to conduct mer-

cury tests on Cree Indians in Quebec, and also assure us that these tests will be extensive?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the hon. member is getting behind the latest developments in this field. Tests have been administered to the Indians of northern Quebec, in the Mistassini area. Certain of these have been examined by the Montreal Neurological Institute, which is certainly one of the most famous institutions in Canada, and further tests are being administered to the Indians of this area, in co-operation with the Quebec government to check if there is higher contamination than the one which we are aware of at the present time.

[*English*]

Mr. Neil: Mr. Speaker, would the minister tell us what new action he is taking to coordinate attacks on mercury poisoning and whether his department was involved in a federal-provincial meeting held recently by the Minister of Indian Affairs and Northern Development and provincial authorities?

[*Translation*]

Mr. Lalonde: Yes, Mr. Speaker. First of all, I shall refer the hon. member to a press release which has been released jointly by the Minister of the Environment, the Minister of Indian Affairs and Northern Development, and myself in which we stated all the measures which were taken by the federal government in this respect over the last few months. This report was made available to all hon. members. In addition, I participated at a joint meeting with my two colleagues and three provincial ministers from the Ontario government to set up a committee at the senior officials' level, at the assistant deputy ministers' level between our three federal departments and the three provincial departments so as to ensure an efficient coordination of our action in this area.

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[*English*]

TRANSPORT

ANNOUNCEMENT BY BRITISH COLUMBIA OF IMPROVEMENTS IN FACILITIES—EXTENT OF FEDERAL INVOLVEMENT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Transport and refers to recent announcements by Mr. Gary Louck, a minister of the British Columbia government. Since the commitment by that government to upgrade the construction of new roads, rail and port facilities in central-northern British Columbia to the tune of $1 billion, and since this program includes innovation to the national railway and port systems, will the minister enlighten the House as to what extent his or any other department of the government is in accord with these announcements, and what federal plans there are in respect of this?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the announcement by Mr. Louck is very misleading, indeed, in appearing to suggest that any firm decisions or fundamental actions have taken place. There have been some preliminary discussions concerning a number of the matters to which Mr. Louck referred, but it is not even clear at this point whether the cost to remove the coal, to which he refers, will be greater or lesser than the value of that coal at present or foreseeable market prices. Environmental studies have barely begun and are nowhere nearly advanced to the point of a decision. In addition, the Indian claims question has not been dealt with. Indeed, the reference to the acceptance of the Neptune Terminals facility in Prince Rupert is completely premature since at this moment there is only a preliminary feasibility study being conducted on the Neptune Terminal, and there has been no further action than that so far.

Mr. Oberle: Mr. Speaker, since any major development in the prime industrial or resource scene in central and northern British Columbia would depend on federal participation, would the minister report to the House today on any events that may have occurred since the signing of the umbrella agreement in March 1974 that might have encouraged the provincial government to make these announcements, and are there any studies going on that may bring these plans to fruition?

Mr. Speaker: Order, please. That seems to me to cover much too great an area for the question period.

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LABOUR CONDITIONS

STRIKE OF PULP AND PAPER WORKERS—GOVERNMENT ACTION TO AID SETTLEMENT

Mr. Arnold Peters (Timiskaming): In the absence of the Minister of Labour, Mr. Speaker, perhaps I might direct my question to the Prime Minister. In view of the serious economic effect on communities of the strikes in the pulp and paper industry, will the Prime Minister provide leadership by having senior officials of the Department of Labour bring the two parties to the dispute back to the bargaining table, where good faith is not being shown by the industry under the guise of a misinterpretation of the anti-inflation legislation guidelines?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, these strikes are giving concern to a great number of people, including several members on this side, and for that reason we have tried to make it clear that the guidelines should not serve as a pretext to an employer or employees to avoid free collective bargaining. As to having the Minister of Labour bring the parties together, Mr. Speaker, this would seem an impossible step to take in an issue which is under the jurisdiction of provincial labour departments.

Mr. Peters: Mr. Speaker, in view of the fact that this strike affects the federal government, not only because of a loss of one of our major exports but in that negotiations are not localized to any particular province, but affect Ontario, Quebec, New Brunswick and some of the western provinces, could an exception be made in providing the facilities of our senior officials in the Department of Labour to entice, if necessary, the parties back to the bargaining table?

Mr. Trudeau: Surely, Mr. Speaker, even in the circumstances outlined by the hon. member one cannot change the provisions of the BNA Act which state that certain areas of labour and industrial relations are under provincial jurisdiction.

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[*Translation*]

OLYMPIC GAMES

PROPOSED INTEREST FREE FEDERAL LOAN FOR FINANCING GAMES

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of Finance.

The Quebec minister responsible for the Olympic Games gave a press conference recently and it seems he was not aware that the federal government could grant interest free loans. Would the minister tell the House whether the federal government could do within Canada what it does already for many foreign countries, namely grant interest free loans?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there are no such things as interest free loans. When we grant loans, the government itself has to borrow the money from the taxpayers. If the interest is not paid by the beneficiary, it is paid by the taxpayers generally. I do not know if that is what the hon. member advocates: a loan to the Olympic Games that would be paid back by the Canadian taxpayers generally. If so, he should say so clearly.

● (1450)

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

The explanation which has just been given by the Prime Minister is similar to that of Mr. Goldbloom, but as it happens I do not accept it. Does the Prime Minister suggest that this money must be borrowed to be lent interest free? If so, could he tell the House where the government is now borrowing money to lend it interest free to foreign countries?

Mr. Trudeau: Mr. Speaker, I can merely give an example. Last month, the Canadian government borrowed through Canada saving bonds a considerable amount on which it had to pay interest of about 9¼ per cent.

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[*English*]

CANADIAN NATIONAL RAILWAYS

PROPOSED LAY-OFFS IN CAPE BRETON—REQUEST FOR REPORT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. On November 27 and again on December 3 I posed questions to the minister with regard to lay-offs of Canadian National Railways personnel in the Atlantic region, with particular reference to Cape Breton. At that time I asked if he would approach CNR and have them declare a moratorium on further lay-offs. Is the minister in a position to provide a report to the House today as a result of his discussions with CNR?

Hon. Otto E. Lang (Minister of Transport): I can only say that CNR has indeed laid off employees in various parts of the country when the work and the volume of traffic have justified it. I will not try to second guess CN on that.

* * *

[*Translation*]

COMMUNICATIONS

ALLEGED REFUSAL OF BELL CANADA TO PROVIDE SERVICE—REQUEST FOR INVESTIGATION

Mr. Bernard Loiselle (Chambly): Mr. Speaker, I should like to put a question to the Minister of Transport.

Since Bell Canada has been denying for six months any kind of phone service to an increasing number of new householders on the southern shore of the St. Lawrence in Montreal and since the company put down that denial to a lack of manpower, would the minister ask the president of the Canadian Transport Commission to inquire of that company and make it formally undertake to provide that service within a reasonable time?

[*English*]

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I will be pleased to bring that request to the attention of the Minister of Communications.

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POST OFFICE

REASON FOR DELAY IN SUPPLYING MAIL BOXES TO FORT MACLEOD

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is supplementary to the question put by the hon. member for Lethbridge to the Postmaster General. In view of the fact that the postmaster in Fort Macleod made application for a block of new post office boxes over two years ago, and residents of Fort Macleod not only cannot have their mail delivered but cannot even rent a post office box, would the Postmaster General give immediate consideration to the request made by the postmaster in Fort Macleod in view of the fact that Fort Macleod is experiencing rapid growth?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I am pleased to hear that Fort Macleod is experiencing rapid growth and in recognition of that fact I will find out why it is taking so long to supply extra mail boxes. It could be that the building needs expansion to accommodate them. But I will report back to the hon. gentleman tomorrow.

Oral Questions

AGRICULTURE

COMPREHENSIVE MILK MARKETING PLAN—INQUIRY WHETHER AGREEMENT AMENDED TO PERMIT INCREASED CHEESE IMPORTS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture and relates to his November 4 statement regarding the dairy industry. In light of the fact that the agreement signed by both federal and provincial agencies since 1971 commonly called the Comprehensive Milk Marketing Plan, was expressly designed to provide a balance between the domestic supply of butterfat and Canadian market requirements for butterfat in manufactured dairy products, can the minister say whether, before he announced last month the 100 per cent increase in cheese imports, he had the signed agreement amended by all the original parties to the agreement or their successors?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the agreement for the increase in the cheese quota is under discussion. We have not allowed any increase as of this time. We are reviewing the whole situation at present and there is some dispute as to whether or not we have followed the correct consultative process. Some of my people say we have, some dairy producers say we have not.

Mr. Jarvis: Mr. Speaker, I did not quite understand the latter part of the minister's answer. I wonder if I can ask him, by way of a supplementary, if at any time during the current dairy year he or representatives of the federal government notified the signatories to the Comprehensive Milk Marketing Plan agreement that he wanted to change the definition contained in the agreement as to what constitutes Canada's industrial milk requirements.

Mr. Whelan: We had many discussions with them. I am not sure whether or not that was discussed, but I am sure that they knew and were well aware of the increased importation into Canada of industrial cheeses at that time. They made strong representations against this and they are making strong representations against this at present. We are reconsidering the whole situation.

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MANPOWER

ALLEGED SUSPENSION OF MOBILITY GRANTS—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. In the light of the fact that unemployment figures show a heavy concentration of unemployment in certain regions in Canada while other regions are in need of workers, can the minister confirm or deny whether manpower mobility grants which enable Canadians to move from areas of high unemployment to areas of high employment activity have been suspended as of December 8?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that is not correct. We have been improving our information services concerning local, regional and national job vacancies through the many measures we have been taking. The mobility grant activity has increased exponentially. I make no secret of that fact that by virtue of that increased activity we are matching our budgetary allocation for this year. There has been no suspension of mobility grants—we are making some modification but there is no suspension.

Mr. Epp: In view of the answer given by the minister, may I ask then if he is saying there will be no further mobility grants made in this fiscal year due to budgetary restrictions?

Mr. Andras: I said precisely the opposite. There is no suspension. We are matching our budget and therefore modifying it in some ways to make sure it is going to those who obviously need it most and are best able to use it, but there is no suspension.

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ENERGY

SARNIA-MONTREAL PIPELINE—ESTIMATED DATE OF COMPLETION—POSSIBILITY DEFICIENCY PAYMENTS MADE IMMEDIATELY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I wonder if he can now give me the information I sought on Friday with regard to the estimated cost of completing the Interprovincial pipeline extension east into Quebec, the estimated date of completion and an estimate of whether or not the government of Canada will have to make a deficiency payment or a subsidy to support that line from its inception in view of the higher cost. Can the minister give that information or has he as much difficulty in foreseeing the immediate future as the Minister of Finance?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I made some inquiries with respect to the hon. member's question. It appears that the delays last week have not yet been quantified in terms of what they might add to the total cost of the line. The best information I have received is that it is not likely to be significant in the over-all. For these reasons, therefore, I cannot answer the other questions put to me by the hon. member.

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BUSINESS OF THE HOUSE

ADVANCE DISTRIBUTION OF SUPPLY BILL

Mr. Speaker: Hon. members are aware of the fact that today is the last allotted day in the last trimester and accordingly at 9.45 this evening I will interrupt proceedings to put the question necessary to decide on the motion which is the subject matter of the debate today. Hon. members will also recall that last spring on the last allotted day when it was necessary to go into the business of supply, the passage through all the stages of the supply

bill, we were able to accommodate members of the House by distributing in advance of the ten o'clock time—I think it was at 8 p.m.—the actual supply bill, which I think alleviated some of the concern and discontent hon. members had expressed earlier that they would be handed the bill and then asked to vote upon it moments later. There seems to be acceptance of that procedure, certainly by the government, and by all hon. members of the House, so I am happy to report that it will be possible to repeat that procedure this evening. Hon. members can expect to receive copies of the supply bill at eight o'clock.

● (1500)

Mr. Cullen: Mr. Speaker, I rise on a point of order. Yesterday, in answer to a question by the hon. member for South Shore (Mr. Crouse), I inadvertently indicated that the Parliamentary Secretary to the Secretary of State (Miss Campbell) had made representations in connection with Riverport. I was wrong in that. The representations made by the parliamentary secretary had to do with three Customs ports in her particular riding, and I would like the record to show that.

Mr. McKenzie: Mr. Speaker, I rise on a point of order. Today I directed a question to the government House leader, who I understand is also President of the Privy Council (Mr. Sharp), in connection with a telegram from the city of Winnipeg asking him to rescind a certain order in council. The minister suggested that he was not the minister to whom the question should be directed. Could the minister please advise me which minister should answer this question?

Mr. Sharp: Mr. Speaker, I said that I would inquire, and that I will do. Perhaps the hon. member will ask the question tomorrow, if it should be directed to another minister.

Mr. Malone: Mr. Speaker, I have a question of privilege and it relates to my attempt to put forward earlier today a motion under Standing Order 43. I submit that it was not that I had any grievance about the differences which take place amongst members of the committee but, rather, that I think there is something inherent in what took place which threatens the whole committee system; that is, that when a question came before the members of the committee, four members from the government side were removed from the committee studying Bill C-58. It was well known that many other members had some very serious questions. I simply suggest that as long as a ministry of the government so enforces, unilaterally, its position on the committee, it really makes a charade of the whole committee system, and perhaps the matter ought to be reviewed and studied in terms of committees and how they operate.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair had no intention of restricting the opportunity of the hon. member to express the very grave concern which he has now expressed rather adequately on a question of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

AGRICULTURE

Twelfth report of Standing Committee on Agriculture, in both official languages—Mr. Daudlin.

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Fourth report of Standing Committee on Broadcasting, Films and Assistance to the Arts, in both official languages—Mr. Guilbault.

[*English*]

LABOUR, MANPOWER AND IMMIGRATION

Fifth report of Standing Committee on Labour, Manpower and Immigration—Miss Nicholson.

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FINANCE

TABLING OF AUDITOR GENERAL'S REPORT

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to lay on the table the report of the Auditor General of Canada for the fiscal year ended March 31, 1975, with a supplement.

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ANTI-INFLATION ACT

TABLING OF DRAFT AGREEMENTS

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table copies of draft agreements under Bill C-73, as requested by the Leader of the Opposition (Mr. Stanfield).

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FINANCE

REFERENCE OF PUBLIC ACCOUNTS AND AUDITOR GENERAL'S REPORT TO STANDING COMMITTEE

Hon. Donald S. Macdonald (Minister of Finance): moved that the public accounts for the year ended March 31, 1975, and the Auditor General's report thereon be referred to the Standing Committee on Public Accounts.

Motion agreed to.

Order Paper Questions

VETERANS AFFAIRS

MOTION FOR CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre):

That the seventh report of the Standing Committee on Veterans Affairs, presented to the House on Thursday, June 12, 1975, be concurred in.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a point of order, I ask that my motion which appears under Motions stand once again today and also tomorrow, but I give notice that I intend to move it on Thursday unless the government takes action to make this unnecessary.

Some hon. Members: Hear, hear!

Motion stands.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3.138, 3,238, 3,251, 3,291, 3,300, 3,482, 3,491, 3,510, 3,522, 3,562, 3,626 and 3,632.

[*Text*]

NATIONAL DEFENCE—CIVILIAN PERSONNEL—TERMINATION OF SERVICE

Question No. 3,138—**Mr. McKinnon:**

How many civilian personnel, in addition to civilian communicators have had their services terminated, or have been given notice of termination as a fiscal economy by the Department of National Defence in the period April 1, 1975 to October 1, 1975?

Hon. James Richardson (Minister of National Defence): In addition to five communicators, 169 civilian personnel in other classifications have been issued with a notice of termination as a fiscal economy between April 1 and October 1, 1975. Seventy-three of these employees have either been placed in alternate employment in the Public Service, have proceeded on superannuation or have accepted employment outside the Public Service. Efforts to place the other employees scheduled for lay-off in alternate employment will be continued.

COST OF MILITARY SALES PROMOTION

Question No. 3,238—**Mr. Macquarrie:**

1. On what date was the International Defence Programs Branch of the Department of Industry, Trade and Commerce established?

2. What is the number of full-time employees in the Branch?

3. How many personnel of the Branch or of other departments are stationed abroad for the purpose of aiding sales of Canadian military equipment?

4. What is the estimated cost to the government in the promotion of sales of military equipment referred to in the answer to Question No. 2,394?

[Mr. Macdonald (Rosedale).]

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. March 28, 1969.

2. Twenty-one officers and nine support staff as of October 15, 1975.

3. No Defence Programs Branch personnel are now stationed abroad. A Departmental organization change in 1974 transferred the functions and responsibilities formerly carried out by Branch officers abroad to the Trade Commissioner Service. Branch personnel stationed abroad were integrated into and became part of the Trade Commissioner Service. Trade Commissioners abroad aid in the sale of Canadian military equipment in the same manner as they aid in the sale of any other Canadian export commodity.

4. One of the functions of the Defence Programs Branch in carrying out the Departmental Trade/Industrial Program is to assist in the promotion of export sales of defence and defence related equipment. In addition, the Branch provides Headquarters and administrative staff support for Canadian participation in the defence industrial aspects of Canada's collective defence research, development and production arrangements which include NATO RDP activities, Canada/U.S. Development and Production Sharing activities and activities related to bilateral agreements between Canada and United Kingdom, France, Germany, Netherlands, Italy and Sweden and such other agreements as might be negotiated from time to time. The Branch formerly maintained officers at selected posts abroad to assist in these functions. It is, however, not possible to estimate with any degree of accuracy, that portion of Branch resources which would have been devoted solely to the promotion of sales of military equipment which would be included in export sales referred to in the reply to Question 2394.

SENIOR CITIZENS HOUSING—LAC-ETCHEMIN, QUEBEC

Question No. 3,251—**Mr. Lambert (Bellechasse):**

Has Central Mortgage and Housing Corporation granted a loan to the Municipality of Lac-Etchemin, Quebec, or to its Housing Corporation for the building of low cost housing for the retired and, if so (a) what was the amount involved (b) at what rate of interest (c) for how long (d) under what terms of reimbursement?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised that the following applies with respect to Central Mortgage and Housing Corporation: In December 1973, Central Mortgage and Housing Corporation approved a loan which Quebec Housing Corporation was proposing to make to the Municipal Housing Bureau of Lac-Etchemin, to finance the construction of a housing project for senior citizens. (a) The amount of the loan approved is $384,400; (b) The interest rate is 8 per cent, calculated half-yearly, not in advance; (c) The term of the loan is 50 years; (d) Quebec Housing Corporation makes annual payments of principal and interest, under the above terms, on its loan from CMHC. The Municipal Housing Bureau makes monthly payments of principal and interest, under the above terms, on its loan from Quebec Housing Corporation.

NATIONAL DEFENCE—DELETION OF CIVILIAN POSITIONS AT CFB GAGETOWN

Question No. 3,291—**Mr. Howie:**

1. How many permanent civilian positions at CFB Gagetown are being deleted from the plan of organization within the next year?

2. What is the total annual payment in salaries for such positions?

Hon. James Richardson (Minister of National Defence): 1. At present 18 positions in the General Services Group—Food Services—Level 2 (GS FOS 2) have been identified and are scheduled for deletion. One of these positions is not filled at the present time. In addition another sixteen positions, the classification of which have not been identified are being scheduled for deletion within the next year.

2. The annual payment in salary for the 18 GS FOS 2 positions is $108,954 if these positions are filled. The annual payment for the other 16 positions will not be known until the positions scheduled for deletion have been identified.

PANARCTIC OILS LTD —POTENTIAL REQUIREMENT FOR ICE BREAKING TANKERS

Question No. 3,300—**Mr. Forrestall:**

1. Is the Minister of Industry, Trade and Commerce aware of the statements in the press attributed to the President of Panarctic Oil during the week of October 20 to 24, 1975 indicating the possibility that Panarctic Oil will purchase three Scandanavian crude oil tankers for transport of Arctic oil to market should that be feasible?

2. Is the Minister aware of the extent of participation in Panarctic Oil by the government and its agents and, if so, to what extent is this participation?

3. Has the Minister examined the implications of going outside Canada for such vessels in terms of the long-term viability and health of the Canadian ship-building industry and trade balance and (a) if so, what conclusions have been reached (b) if not, for what reason?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The *Globe and Mail* did carry a story, on October 22, which described a Panarctic Oils Ltd. oil discovery on Cameron Island. This story discussed briefly the problem of transporting the oil to market and mentioned the possibility of a Scandinavian shipbuilder supplying a suitable ship.

2. The government owns 45 per cent of the issued common stock of Panarctic Oils Limited.

3. The Advisory Committee on Industrial Benefits from Natural Resource Development will be meeting with Panarctic Oils Ltd., in the immediate future, to discuss the implications of the announced oil discovery, including the marine transportation implications. In response to question (b) conclusions have not been reached because the discussions with Panarctic Oils Ltd. have not yet taken place.

INTEGRATED SCHOOL PROJECT—ENOCH BAND

Question No. 3,482—**Mr. Schellenberger:**

Can the Minister of Indian Affairs and Northern Development give the (a) status of negotiations with regard to the integrated school project to be built for the Enoch Band and surrounding district in Alberta (b) expected date of (i) final approval (ii) beginning of construction?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): The Enoch Band have offered to provide the land on a lease basis free of charge. Parkland County has agreed to the project and so has the Enoch Band; however, because the classrooms are required at the east end of the county and there is a surplus of classrooms at the west end of the County; and because of a lack of justification for the seats required, the Provincial Government is not prepared to proceed with the project at this time. Negotiations are continuing with the County and a student survey is being conducted. No date of final approval can be predicted; however it is anticipated that no decision will be reached prior to February.

PUBLIC SERVICE LANGUAGE TRAINING

Question No. 3,491—**Mr. Reynolds:**

1. Approximately what percentage of the Public Service has taken language training in (a) English (b) French?

2. What is the average length of time such employees have spent away from their regular job on language training?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Public Service Commission as follows: 1. While figures are available in terms of total enrolments, statistically valid percentages of public servants on language training are not available in the form requested because: (a) Many of the course are cyclical in nature, with the carryover of students from year to year. (b) Many courses are part-time or special courses, operated privately or at the departmental level and also with carryovers into other years. Valid statistics (without carry-overs from year to year) are available only for continuous/intensive courses. From the inception of continuous/intensive courses in September 1973 to October, 1975, the following are the numbers involved: Courses in French, 6,820; Courses in English, 801; Total: 7,621.

NOTE: In 1974, there were 258,590 employees under the Public Service Employment Act.

2. The average length of time spent by public servants on continuous/intensive language courses is six months.

EXPORTS OF FOREST PRODUCTS

Question No. 3,510—**Mr. Forrestall:**

Is the government aware of the cost in 1974 of shipping by sea Canadian forest products to other countries and (a) if so, what was it (b) if not, for what reason?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The government has no official data or costs for 1974 of shipping by sea Canadian forest products to other countries. Details of shipping contracts are not required to be reported to any regulatory or statistical agency.

RCMP FILE "FEATHERBED"

Question No. 3,522—**Mr. Cossitt:**

1. Does the RCMP have a file commonly referred to as "Featherbed" or did it ever have such a file and, if so (a) in what location is the file (b) did the RCMP or anyone on their behalf give a copy of the file and

its contents to any agency in the United States or elsewhere including the CIA or FBI?

2. What is the (a) name (b) job designation (c) address of the individual described in the file?

Hon. Warren Allmand (Solicitor General): As part of their responsibility for law enforcement, the Royal Canadian Mounted Police retains information in their records dealing with both criminal and security matters. The Policy of the RCMP is to preserve the confidentiality of their records, and therefore do not divulge information concerning either the record system or its contents.

NFB MOTION PICTURE PRODUCTIONS—SPONSORED FILM PROGRAM

Question No. 3,562—**Mr. Friesen:**

1. Does the government expect to implement the statement of intention by the Secretary of State on July 4, 1972, that "The National Film Board will no longer be the exclusive recipient of Government commissions; it will now have to compete with private producers for all film contracts awarded by a federal department or agency" and, if so, on what date?

2. In 1973-74, what was the total number of original motion pictures (a) produced by NFB for either their own programmes or for departments or agencies (b) contracted out by NFB to private Canadian producers?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): 1. The government has already given effect to its policy of contracting out an increasing share of its sponsored films requirement to the private sector, through the National Film Board. The record speaks for itself: Prior to 1972 the private sector received a maximum 8 per cent of the total NFB sponsored film program. This was worth approximately $144,000 during fiscal year 1970-71. By the end of fiscal year 1974-75, the value of contracts to the private sector rose from $144,000 to approximately $1.6 million representing about 50 per cent of the total sponsored film program. In other words, during this period, the share to the private sector increased from 8 per cent to 50 per cent. The extent to which the NFB will compete with the private sector is the subject of current review and consultation with film industry representatives.

2. Please refer to NFB Annual Report 1973-74, pages 36 to 51 inclusive.

VETERANS AFFAIRS—RETENTION OF LAWYERS IN VICTORIA CONSTITUENCY

Question No. 3,626—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Veterans Affairs during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Nil.

2. Not applicable.

[Mr. Cossitt.]

INDUSTRY, TRADE AND COMMERCE—LAWYERS RETAINED IN VICTORIA CONSTITUENCY

Question No. 3,632—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Industry, Trade and Commerce during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Nil.

2. Not applicable.

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[*English*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 2,124?

[*Text*]

*ALLEGED CREATION OF GROUP OF SEVEN ECONOMIC ADVISORS BY CABINET—NUMBER AND COST OF MEETINGS

Question No. 2,124—**Mr. Stevens:**

1. Has the Prime Minister's Group of Seven Economic Advisory Council, chaired by Albert Breton, been disbanded and, if so, on what date were they notified that their services would no longer be required?

2. How many meetings were held by the Group and what was the total remuneration and expenses paid to each member of the Group?

3. Have any of the Group been retained in the past month by the Prime Ministers Office or have been advised that their services may be used by the Prime Minister's Office in the future?

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of Privy Council): Mr. Speaker, 1. The Prime Minister's Office has never established any formal economic advisory group. Dr. Albert Breton has acted as an economic consultant to the Principal Secretary, and on four occasions in late 1974 and early 1975 individuals in the economic field practising outside of the government's employ met with Dr. Breton for discussions with the Principal Secretary of Their views on events of economic concern to the private sector.

2. Four meetings were held and expenses paid in connection for these meetings were $1,962.29. No remuneration was paid, but each received an honorarium in the amount of $100 for each meeting.

3. No retainer has existed in respect to these particular meetings, but Mr. Breton has been retained at $200 per diem (as required) as an economic consultant in the Prime Minister's Office since September 16, 1974 to date.

Mr. Speaker: Are the remaining questions allowed to stand?

Some hon. Members: Agreed.

● (1510)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT MISMANAGEMENT OF ECONOMY

Mr. Léonel Beaudoin (Richmond) moved:

That this House considers the government has lacked foresight and leadership in the conduct of the affairs of Canada and should be blamed for its failure to fulfil its promise of a fair and just society and to prevent the deterioration of the social climate, and its failure to stop the alarming increase in unemployment, to introduce measures other than price and wage control, to prevent the actual rate of inflation and to make loans available to the provinces at an interest rate not exceeding the cost of administration.

He said: Mr. Speaker, under the provisions of Standing Order 58(4)(a), I move, seconded by the hon. member for Bellechasse (Mr. Lambert), the following motion:

That this House considers the government has lacked foresight and leadership in the conduct of the affairs of Canada and should be blamed for its failure to fulfil its promise of a fair and just society and to prevent the deterioration of the social climate, and its failure to stop the alarming increase in unemployment, to introduce measures other than price and wage control, to prevent the actual rate of inflation and to make loans available to the provinces at an interest rate not exceeding the cost of administration.

If I move such a motion today in this House it is because of circumstances forcing us to meet our responsibilities as parliamentarians. Elected representatives must remind this government of its lack of foresight in the administration of the country and warn it against serious consequences for the Canadian nation if it continues to show an attitude so unrealistic in its action. What I generally regret is that in recent years this government did not try harder to establish a preventive policy concerning current economic and social problems and rather let them grow to such a point that today's situation is almost unbearable.

I do not intend right now, Mr. Speaker, to discuss in every detail all the major points raised by a motion like the one I move today. I shall mention only the principles in question and draw the attention of the government to the present situation and possible solutions, leaving it to my colleagues to study the situation further in the analysis they will make following my comments.

When I say that a government must show some leadership, I mean that it must, first of all, set the example as concerns business, integrity, common sense, balance and fairness. It is its first duty if it really wishes to create among the people the feeling of confidence and respect necessary to the strength and the stability of a democracy.

But for too long this government has tolerated—I did say tolerated—contempt for government institutions, the declared intent of anyone to destroy our democratic system; this government has tolerated for too long record breaking deficits in its estimates and its external trade without reacting vigorously; for too long also inflation and unemployment have grown without being stopped and, to top it all off, we note a 100 per cent jump in federal government spending over the last five years. Then, where is the example set by this government in all this? Where is the example of an authority really wishing to create that confidence necessary for the motivation of Canadians. This is the kind of leadership not shown by those who have governed this country for the last few years. On top of this lack of foresight and leadership, another negative factor adds to the record of the present government and it is the anti-democratic way to govern by procuration by avoiding this House as much as possible. During the sixties, the government decided to amend the rules and defer to standing committees several bills then considered in the House. One major result of those transfers was that expenditures were no longer examined by Parliament but by a committee where the minister responsible did not have to attend and where the same officials who worked up the expenditures have drafted the answers. The questions on policy issues put to the absent minister can be raised in the House, but the member is then referred to the committee without avail. Such a procedure does away with discussion and ignores democracy, but it does not reassure the citizen and give him confidence in his government.

In other respects, and this is not much better, the government has grown into the habit of having a legislation passed by the House reserving itself full discretion in making the regulations proceeding from it.

In any event, those regulations stemming from the bill may be more important than the bill itself, but the House would have no say in them. That drawback was actually aptly pointed at in the past few months by the Mining Association of Canada on page 6 of the brief on the anti-inflation program they submitted to the Standing Committee of Finance, Trade and Economic Affairs. I quote:

You still have no idea of the contents of the regulations on Bill C-73, and yet the government will derive from them every power they will use in their fight to curb inflation. We are therefore concerned that those regulations will be enacted pursuant to an order in council without the assent of Parliament. Although that procedure is technically right, we believe *it is an objectionable practice in a democratic society*, and should therefore be avoided inasmuch as possible. That practice seriously limits the powers of our committee and of citizens in general to assess government intentions.

That way of ruling by proxy, Mr. Speaker, undoubtedly makes people sceptical with respect to government management, and in my opinion, it means ignoring one's responsibilities and refusing to assume a real leadership.

On the other hand, the government stands on no firm grounds not only as far as political philosophy is concerned, but also with respect to action. They failed to anticipate inflation, much to the detriment of most people, since in the past three years 65 per cent of inflation has concentrated on housing, food and energy. Since it is a sector which relates to essential and basic needs, most citizens are therefore hit and cannot help it. Their buying power is directly undermined. The taxpayer is therefore the all-time loser, so that he develops the form of thought which he cannot be blamed for, but which also works against his interests. He comes to thinking that it is better to spend everything than save money. Such an attitude does nothing to slow down consumption or cut down unnecessary expenses, and therefore creates more difficulties.

We are not the only ones who have those problems, but we should have taken action much sooner, for the situation might deteriorate even further.

Several major industrialized countries had in recent years a rate of inflation fluctuating around 9 per cent. On

the other hand, prices continued to rise at a rate of 11 per cent a year in countries like Italy, Great Britain and Japan, and that is quite easily explained when one sees the world of business lose speed and unemployment increase. Those are signs we must pay attention to when we recognize them at home and we must avoid at all cost the serious effects they had elsewhere. If the government of Canada is further maintained in its inability to curb inflation, we are definitely going to pass the point of no return at the very risk of losing, so to speak, the control over our economy. Already now the situation is really alarming. Let us just look back a bit to compare.

Only about twenty years ago, if one had dared suggest that a hospital room in 1975 would cost over $75 a day and a year of university would total between $3,000 and $4,000 he would have been branded as a sick man. At that time a year of university cost $1,000 and a hospital room $11 a day, and the average price for a single family house was about $12,000. And if the same guy had dared say that in 1975 a single family house would average $40,000 he would have been laughed at outright and even taxed with thinking liberal, in the right sense of the word though, that is with having a weird mind. However, this is exactly what is happening today. And projecting prices and wages for year 2,000, according to the inflationary trend of these last years, we get astounding results.

● (1520)

The average family now earning $14,000 will get $112,000, according to the current trend, in year 2,000. A pair of shoes now costing $28 will be worth $167. A wool skirt now sold $11 will retail for $53. A haircut now costing $3.20 will be $20.50. A tooth repair now worth $11. will cost $50. A semi-private hospital room now costing $78 a day will be worth $290. A yearly tuition fee now costing $3,700 in a private institution will cost $45,000. A house now selling for $40,000 will be paid $623,000. This was arrived at by a recent authoritive study by the Economics Department of the magazine *United States News and World Report*.

This clearly shows the current economic situation and the kind of thing we can expect if we do not take immediate corrective action.

Belatedly, the government recently attempted to control the situation through their anti-inflation program, although controls are not a solution actually. Indeed, the Bank of Montreal's *Business Review* of October 1975 clearly states that such a measure is of very dubious effectiveness, and I quote:

> Throughout history and until the 1970's, it has been shown that such programs hardly stopped inflation. They may bring temporary relief at the price indices level, but once controls are lifted prices almost invariably resume their uptrend at an accelerated pace. It will be remembered that unfortunately such was the result of the controls program launched in the United States in 1971 and finally curtailed in 1973. Controls unfortunately tend to obscure the need for a radical change in basic policies and behaviours.

And I want to repeat that:

> Controls unfortunately tend to obscure the need for a radical change in basic policies and behaviours, which means that eventual solutions are more difficult and painful to apply.

As the President of the Bank of Montreal said in his speech to the shareholders in 1973:

[Mr. Beaudoin.]

> —nothing could be so harmful in the long term while bringing only an insignificant relief in the short term as controls and no action can be successfull while the underlying conditions which have caused inflation remain unchanged.
>
> Another related basic problem is that price and income controls block the relationship between prices, even when this relationship is clearly inappropriate or unfair, which may well be the case in view of the rising inflation that we are now witnessing. But even if this relationship is just in a certain measure, at a certain time, we are living in a dynamic society where prices must change constantly if supply is to adjust to changes in demand. When the price system can no longer function normally, shortages and dislocations become frequent.
>
> Since imported products represent 29 per cent of the Canadian gross national product, a control program would be difficult or impossible to implement without a gigantic and costly subsidy system or without higher prices of imported products being reflected on the consumers, which would contribute to the rising spiral of prices while inflation continues abroad.

In my opinion, Mr. Speaker, the conclusions drawn by the author of this article are the same as those that we have drawn in this House and the same as those drawn by many Canadians.

It is a fact that there is no miracle or easy solution to these problems. But the solution favoured by the government, which is to implement these controls, could be too easy and the results risk being quite unsatisfactory. Other steps that would be more logical and show true leardership could have been taken, but I shall come back to this later, after suggesting alternative solutions.

The point I am trying to make is that we should strive to create, through fair and truthful statements, the sort of social climate which is conducive to social justice.

Mr. Speaker, I could quote now, as I have done on previous occasions and as I shall certainly do again some other time, a whole series of statistics and facts which point to the weakness of the government in such areas as capital punishment and parole. But I shall merely quote part of an article published in *Québec industriel 1975* which shows the lack of responsible leadership on the part of the government and the social climate it has created:

> Blass commits crime after crime and offence after offence. He has his picture taken holding a gun and sends it to the newspapers. He is a real gangster, a notorious habitual criminal, a misfit. He is caught by the police but escapes, and a great many people are terrified when they know he is at large. Finally, he is shot dead by police. Immediately, the same "specialized" groups mourn his loss, blame the police for having done their job, look into Blass' background, etc. Special material is published on his life and "works". And a movie about him will top it all.
>
> It is the same old story. People have bought many paintings done by one of the "Santa Claus killers" who had gunned down two policemen and made many orphans. The Watergate conspirators, who came out of American prisons as if by magic, are generously paid today by the press and television for the story of their dirty tricks.
>
> In a world in which policemen and victims are wrong, criminals are better protected than honest people, bandits are held as heroes, the results are obvious.
>
> In Montreal, a murder is committed every day of the year; in the United States, the number of thefts has increased by 20 per cent, burglaries by 17 per cent, rapes by 9 per cent and murders by 5 per cent. All the records have been broken.
>
> Recently, Mr. Frank Schauffee, a well known criminal lawyer, stated: "It is a lot easier to defend a criminal than a victim, since in the latter case everybody is against you: the judges, the laywers and the journalists . . .".
>
> I do not know if justice is blind, as is often said, but it is far from exemplary.

Mr. Speaker, we need only look around us to realize that this article was not written for another time or another planet. There again, it is high time the government assumed its responsibilities in a spirit of justice and honesty and also set the example.

Where is the just society that was so much talked about a few years ago? Where is the just society the qualities of which were posted on almost every street corner? Where can we find in 1975 the justice, the equity, the sharing of resources and the well-directed and well-used prosperity we were promised?

When we look around us, what we see is not quite, I would say not at all, like those promises. We see only strikes, increasing unemployment, a mockery of justice, poverty, concerned citizens, a very unstable business world, spiralling inflation, and so on. It would not be fair to say that the government is responsible for all this, but it would certainly be fair enough to say it had something to do with it.

Cure-alls which can cure every ill at once do not exist, but there are some measures which could give positive results even in the short run. Because of the serious problems now facing the country and the bleak future in store for us if one and everyone fail to do their full share to remedy the situation, it is urgent that the government inform the people, business, labour and the various groups of that threat and assign duties to everyone. It is not a matter of frightening anybody but rather of waking up the people so that they will become aware of their responsibilities in that common undertaking. It would certainly be better to tell the whole truth on the present state of affairs. In any case, nobody will prevent reality from being what it is—

On the other hand, there is another area where the government has failed to act and where it should take steps as soon as possible and that is the area of importation and exportation. In recent weeks, I have repeatedly raised the problem in this House; the failure to restrict the present flow of imports endangers some of our large industries such as footwear and textile. Too many imports are allowed and our Canadian producers must slow down their operations or dismiss workers. We had a somewhat similar problem with powdered milk and cheese. The government must at any cost protect our people—I mean the Canadian people—and recognize as a principle of urgency that we must absolutely tend to produce in this country the consumer goods which we need after that we can always import some if there is any shortage, but not before that. As a middle term objective, we should try to increase the production of some commodities which could even be exported.

On the other hand, in the area of social security, we should set up as soon as possible a minimum guaranteed income plan to provide Canadians with a certain amount of security, while reducing the financial burden resulting from several measures of direct or indirect support which are administrative monsters rather than effective measures.

With regard to the working population, which is disturbed by so many conflicts, and all sorts of upheavals and unrest that affect workers and employers alike, there is an urgent need for reviewing the rules of the game. In this regard, the government should immediately implement our proposal to promote the possibility for workers to participate in the share capital of companies, in order that the problems of production, profits, and work security become common to both parties. Then they would, to a greater extent, speak the same language, and share the same goals. Several conflicts could then be avoided and the workers would have greater motivation. The workers, at least wherever this proposal could apply, would know greater stability, which is badly needed.

Those are only a few of the solutions which could apply over the short term, and produce positive and swift results. I do not intend to go on further along this line; my colleagues can easily complete the picture. Still, what I want to stress, above everything else, is that this matter requires leadership on the part of the government; they must assume their responsabilities and set an example of integrity and determination in attempting to solve justly the social and economic problem that prevails in this country. The government must absolutely restore the confidence of all Canadians and have them participate in the achievement of their future. I am one of those who believe that we will have a strong, free and prosperous nation the day everyone of us in this country becomes strong, autonomous and firm of purpose.

[*English*]

● (1530)

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, many Canadians as well as myself are dedicated to the belief that democracy is best for this country and that government must be the servant of the people rather than the master. For that reason, I am very pleased that the Social Credit party have put forward this motion; included in it are subjects for discussion which I want to cover today.

I am particularly interested in the concept in the motion that the government has shown lack of foresight and leadership in the conduct of the affairs of this nation. That is certainly a fact. It has also shown a failure to fulfil its promise of a fair and just society. It is certainly fair to say there has been a deterioration in the social and economic climate of this country.

I want first to deal with the question of democracy. On reviewing the record of this administration, I do not think anyone would dispute the fact that there have been very bold and well designed steps to take away the power of this institution of parliament: they have been designed to emasculate parliament and to concentrate power in the hands of the Prime Minister (Mr. Trudeau) and his cabinet.

An hon. Member: Oh, oh!

Mr. Yewchuk: If the hon. member from Toronto would listen for a moment, he may find that is in fact true. Let us go back to 1969. We had a debate in this House which lasted almost the whole summer, dealing with the question of rule changes in the House of Commons. We debated very significant changes which removed the power of this House to question the government on its activities and to make it accountable to parliament and the people for its expenditures. The government went so far as to bring in closure in order to bring in a rule that would make closure of debate very much easier. I am referring to rule 75C.

We can also examine the record in terms of the question period to see what has happened to it in the past eight or ten years. If we go back to the days when the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister—great days for this country—we find that the question period was very democratic. Questions were put and answered for as long as there were questions to be put. As soon as the government changed and the late Lester Pearson took over, time limits were placed on the question period. The government of that day knew very well the kind of damage that could be done to a government with an uncontrolled and prolonged question period and they wanted none of that. One of the first things they did was to limit the time spent on questions.

Following the 1968 election, another step was taken because the question period was still hurting a little. The present Prime Minister took it one step further: he withdrew one third or one-half of his ministers from the House of Commons during the question period and ministers attended only two or three times a week. If you consider the earnings of those fellows, they should have been able to fulfil their services in the House a little more freely. That, of course, gave the government more protection from the question period. However, it also created a great deal of public discontent about the attitude of the government, and they have since reversed that policy. Much more recently, in this very parliament, there was a greater shortening of the question period. If we give these matters a little thought, it can easily be seen that democracy is indeed being eroded in this institution of parliament.

If one looks around and talks to people in various parts of the country, one finds a good deal of concern about the direction of this government, It has been designed to slowly, but surely, steer the course of our economic system away from the traditional concept of private enterprise, private ownership and open competition in the marketplace.

We have seen a proliferation of certain Crown corporations. We have seen a number of changes in tax and other policies which have seriously threatened certain industry which previously had been operated satisfactorily and efficiently by private enterprise. I refer in particular to the petroleum industry. Not too long ago we did not even think of the possibility of a shortage in this area or of not being self-sufficient. Over the past three years or so there has been a sudden desire by this government to change the economic climate, to change the tax system and to make sudden and frequent changes in petroleum policy. This has created instability in the petroleum industry and has led to decreased productivity, exploration and development. This country is now in the position where we face the very real possibility of being almost totally dependent on offshore sources within the next decade or so.

There have been further programs of great extravagance which typify this government. They appear to be designed with political expediency in mind. They are designed to buy the taxpayers' vote with the taxpayers' own money. As an example I would refer to Petro-Can which is going to—

Some hon. Members: Oh, oh!

Mr. Yewchuk: Hon. members do not like to hear the truth. Those who are interjecting would have a very difficult time trying to show that there is any real need for the institution known as Petro-Can. We had a long debate on that. It will cost the people of Canada $1.5 billion, yet there has never been any kind of justification placed before this House to show the slightest need for it. Indeed, it appears to be simply a stop to the socialists in our society.

Some hon. Members: Oh, oh!

• (1540)

Mr. Yewchuk: I hear the socialists groaning. I am cognizant of the fact that when the vote was taken, they were glad to support it. It is a continuation of the unofficial marriage which originated during the minority government and still seems to be in effect.

I was talking about extravagance. This can be easily demonstrated. In 1968, when I first became a member of this House, the total budget of the federal government was less than $11 billion—in the vicinity of $10.8 billion. It has tripled in the short space of seven years. Can you imagine anything more shameful, or anything which contributes to inflation to a greater extent than that kind of uncontrolled extravagance?

Mr. Nystrom: What happened in Alberta?

Mr. Yewchuck: One of the members of the New Democratic Party asks what happened in Alberta. The fact is that the Alberta budget has performed much more satisfactorily.

Mr. Guay (St. Boniface): Oh, sure. You say that with a big smile on your face.

Mr. Yewchuk: Much more satisfactorily than that of the federal government or, indeed, than that of British Columbia or Manitoba where the socialists have been in charge.

Mr. Guay (St. Boniface): Now you're talking.

Mr. Yewchuk: In the case of British Columbia, they have nearly made the province bankrupt in the space of three years, and now they are asking the people to give them another three years in which to complete the process.

One of the things which has upset me most about the present administration is the attitude it has created toward the concept of work. Each of us can think of times when the Prime Minister has scoffed at the idea that people in this country need to work in order to make a living. The Minister of National Health and Welfare (Mr. Lalonde) is devoting almost all his energy to bringing in what he will call a guaranteed annual income, a program which in effect says to the people of Canada, "You do not have to work any more; you can live off the guaranteed income".

This is an attitude which has led to our present decline in productivity. It has led to the concept that if you work it right, you can get more out of this country and out of the economy than you put into it. It is an attitude which covers a great deal of territory, including such programs as LIP designed with political expediency in mind. The only way to change this state of affairs would be to throw out of

office any government which pretended that a country can survive on the basis of that kind of attitude.

Furthermore, in the course of the past ten years we have witnessed what I consider to be an unprecedented intrusion into the daily lives of Canadians whether as individuals or as business groups. Never before have certain aspects of their democratic rights been eliminated as rapidly as has been the case under the present administration. I ask hon. members to consider how our nation acquired the prosperity which made so many of our social undertakings possible. It is easy to see. The economy was based on private ownership and private enterprise. The tax system was designed to stimulate growth and, consequently, the development of employment.

The economy, in short, did not reflect the belief that government had the answer to everything or that government must run everything. One of the reasons the economy is drifting toward disaster today is that we now have a government in power which believes it must be the master and control everything. It does not want to give people the opportunity to exercise their initiative, their imagination or their ability to produce. I do not believe we need to look too far afield to notice the difference in productivity between government-operated production systems and those which are controlled by the private sector. We need only look to countries behind the iron curtain or behind the bamboo curtain to assure ourselves that an economy based on the state controlling and owning the means of production turns out to be extremely cumbersome, inefficient and distrustful of individual initiative. We need not look far around the globe to see that an economy based on production in private hands is more successful and leads to a higher standard of living.

Therefore, I should like to say to those who sit on the treasury benches opposite that as long as they are in charge—which I suppose will be for the next three years—they should reassess the urge on their part to control every aspect of our lives and business as if this were somehow an inescapable part of their duty to the people. We recognize that government has an obligation to help those who cannot help themselves, but we also recognize that this process should involve, not making them permanent dependents on government but, rather, giving them an opportunity to improve their own positions. One can illustrate this easily by an example which has become a cliché, and it is the only cliché I will use in this speech, "You can give a man a meal by giving him a fish, but you can feed him for the rest of his life by teaching him how to fish." This is a principle we must incorporate into the welfare aspect of our society. If we are to come to grips with poverty on a long-term basis, we must make an effort to stimulate self-reliance rather than prolonging a need for dependence on government for more and more handouts.

We need only read the story of Robin Hood to be reminded that simply taking from the rich and giving to the poor will never erase the condition of poverty in the long term, though it may be a necessary solution in the short term. Canadians, or, for that matter, others who are living in conditions of poverty, must be given an opportunity to look after themselves. They must be given educational opportunity; their ability to earn a living must be upgraded. Programs must be designed to achieve those goals, and job opportunities must become available if we are seriously to tackle the problem of poverty in this country.

We know that taxes are a necessary evil in our society. Taxes are necessary because there are certain public services and projects which governments are obliged to provide. But the tax system must recognize the principle that initiative and enterprise should be rewarded. It must be designed in such a way as to stimulate growth. I have to say, frankly, that our tax system does not do this. Any one of us can look back over the past year and think of individuals, old friends, who have said, "Why should I work any harder; the tax people take it all away?" There is a reason for this feeling: it is that the tax system has become cumbersome and has destroyed the initiative of many Canadians, discouraging them from working harder or doing what is necessary to make our country grow. We must, therefore, work toward far reaching changes in the tax system, changes which recognize the need to reward initiative. Through the provision of equal opportunity we must motivate people to pursue excellence and greater productivity for the benefit of Canada.

● (1550)

I have already said that I do not think government must be the master of the people and perhaps I should say what the government should, in my view, do. The role of government is more properly one of the guiding hand, a body creating the economic atmosphere in which private individuals or groups of individuals, corporations or any other Canadians, can exercise their initiative and imagination to do the things required to make this country grow and be great. We must also insist that the role of government must be to create the atmosphere in which no Canadian is exploited by other groups, in which no Canadian is dominated by external political or economic forces. In this regard I think our party has a good record. We have put forward policies that would have achieved these ends and which would have been in place now had we won the last election. These policies are still our policies and will be placed before the people in the course of the next election.

I have said that I am very concerned that the policies of the government are designed, it appears, to create dependency on government. The LIP and OFY programs are very good examples of policies that create dependency on government. We need to achieve new directions. Somehow we must reawaken in the minds and hearts of Canadians the concept of self-reliance. We must give all Canadians the opportunity to look after themselves and their dependants with dignity and security. I am not saying that Canada is an easy country to govern. We have much diversity. We have people of many different races from virtually all parts of the world living together within our borders. Our geographic regions are very much different physically, economically and socially.

I see you are sitting on the end of your seat, Mr. Speaker. Are you going to give me another minute to wind up?

An hon. Member: One minute.

Mr. Yewchuk: In short, Mr. Speaker, Canada requires new directions and policies that are designed to allow individual Canadians to exercise their own initiative, that

are designed to make Canada strong, united, and a free, democratic nation. We must take steps to improve our democratic processes rather than continuously detracting from them.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the motion before the House is one that is all-encompassing, covering a great deal of area. At the outset, let me say that when the vote comes later on this evening we will support the non-confidence motion. Not that we support everything contained in the motion, but we do interpret it as a general motion of non-confidence in the government's economic policies and for that reason we will vote for it.

I should like to put in a disclaimer or two regarding some of the wording of the motion. The last part reads "to make loans available to the provinces at an interest rate not exceeding the cost of administration". I think wording such as that leaves a lot to be desired. I should like to hear from some of the Social Credit members what exactly is meant by that. For example, today the Prime Minister (Mr. Trudeau) talked about the federal government borrowing money by issuing Canada savings bonds at 9 per cent plus interest. Are they going to lend this money to the provinces at no interest at all except for the administration charge? Canada Pension Plan funds are lent to the provinces now, but are they proposing to lend such funds at a low interest rate or at no interest rate at all? What would happen to pensioners under the plan if that were the case?

I share the concern of members of the Social Credit party about the banks and financial institutions being at the centre of many of our economic problems. Our solutions in this regard may be different, but in many ways perhaps they are similar. For example, I believe that those who control the finances of this nation control the destiny of the nation. The assets of the chartered banks, insurance companies, trust companies, mortgage companies and of all financial institutions in Canada are immense. These financial institutions have much more impact on public policy and on public life in Canada than many of the governments in this country.

If we are to have a planned economy, the time has come to have public ownership of banks and financial institutions. I do not understand why we continue to support a system where the private banks work hand in hand, essentially, with the multinational corporations and the fiscal and monetary policy of the country reflects that of the United States. I should like to see banking in this country publicly owned, operated as a public utility. This would give Canadians much more freedom than the course suggested by the hon. member for Athabasca (Mr. Yewchuk) who said government should not interfere in the economy, that so-called free enterprise should run the economy. In essence, in today's society this would mean the law of the jungle where the big fellows get bigger and stomp on the toes of the mice. I say that 95 per cent of the people would have fewer freedoms and liberties under that system than if there were public ownership of our financial insitutions and Canadian resources. Under such a system, Canadians, through their government in a democratic way, would make the decisions concerning resource development and finance.

I want to turn to the general question of the economy. I should like to tell the parliamentary secretary who will reply that some very serious problems are arising, on which I hope he will comment. I want to spend some time talking about unemployment. I have the feeling that the government has forgotten about unemployment or they are ignoring it in their so-called fight against inflation. The anti-inflation bill which recently went through the House is one that, at best, will have a neutral effect on unemployment and, at worst, will aggravate the situation across the country by slowing down the economy, particularly in developing regions such as the Atlantic provinces and much of Quebec.

Figures released by Statistics Canada today show that unemployment this past month of November has increased by 35 per cent compared with November of 1974, when there were 542,000 Canadians out of work. Last November there were 734,000 Canadians out of work. This means an increase from 5.5 per cent seasonally adjusted, to 7.3 per cent seasonally adjusted, or that 192,000 more Canadians are out of work. This is a serious matter. The government must direct its energies toward achieving a full employment policy. We must put people back to work so we can increase productivity in general, particularly in regions like Quebec and the Atlantic provinces where for years there has been a very high rate of unemployment.

● (1600)

Let us look at the regional breakdown of unemployment in Canada. I should like to spend a moment or two putting some of these rates on the record, beginning with Newfoundland where the unemployment rate is 18.1 per cent. Let us not forget that there are some who are unemployed but who are not reflected in these unemployment statistics. I have in mind those who are not registered with Manpower; those who are on welfare. There are those who have given up trying to get jobs and are no longer registered, as well as treaty Indians in places like Saskatchewan. So there are a great many people who are not actually reflected in the statistics we get from Statistics Canada each month. We could probably add another 1 per cent or 2 per cent to the 7.3 per cent we now have, making the actual figure at least 8.5 per cent and perhaps even as high as 9 per cent or 10 per cent. These are Canadians who are able-bodied and would work if we had jobs for them.

The rate of unemployment in Newfoundland is 18.1 per cent, compared to 14.8 per cent one year ago. This is an increase of 3.3 per cent. One could go right down the list. In the province of Quebec 7.1 per cent of the people were unemployed last year, and it was 9.2 per cent in November of this year. There are 9.2 per cent of Quebeckers unemployed, yet the federal government fails to bring in any new programs to combat this very serious social and economic problem. Even in the province of Ontario, where unemployment was 3.7 per cent a year ago, it is now up to 4.4 per cent and is becoming a serious problem as it is right across the country. Only in the prairie provinces is the unemployment rate low, being 2.9 per cent in Alberta, 4 per cent in Saskatchewan and 3.7 per cent in Manitoba.

I ask this government what it intends to do to bring down the unemployment rate in Canada. What are its plans to stimulate the economy, providing more jobs while at the same time fighting inflation? Its failure to do anything is the reason I will be voting non-confidence in the government later this evening.

Let me look at the incidence of unemployment among men, women, young people and the middle-aged across this country. I find that 13.3 per cent of the young people between 14 and 24 years of age are unemployed. This is a serious situation. We talk about providing young people with opportunities to develop, to become established in the work place, in business or on the farms, We talk about young people acquiring skills and training. Yet we find that 13.3 per cent of the young people in this country are unemployed, compared to 10 per cent last year. This is an increase of 3.3 per cent, or a full one-third of the young people in Canada. What is the government going to do about this? What solutions does the government advocate to bring down the rate of unemployment in Canada? These are the things I want the parliamentary secretary and other government spokesmen to comment on later in this debate.

Recently we have heard very disturbing and serious rumours about cutbacks in government expenditures in certain areas. I think this will only aggravate unemployment in Canada. There are many areas where I think the government should cut back on spending. The government is spending money on Information Canada which I think in many respects is just a duplication of service. The federal government provides hefty contracts for outside consultants, many of which I think are unnecessary. We also have that other place which is an undemocratic institution, spending millions of dollars every year in order to provide a few so-called second, sober thoughts. I think expenditures like these are unnecessary in this country.

There are several other programs under way in respect of which we could cut out some government fat and waste, including high salary increases for deputy ministers and senior executives. In these days, during the fight against inflation, I think these increases set a bad example and have in themselves an inflationary effect across the country. When the government talks about cutting back on expenditures, I hope it is not thinking in terms of cutting back on programs such as equalization payments to the poorer provinces. I hope it is not thinking of cutting back on cost-sharing for hospitalization and medicare which enables the poorer provinces to maintain the standard of health care enjoyed by provinces such as Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. These are the areas in which the government must not cut back.

Let me say also, that if the government is going to eliminate LIP and OFY projects something else will have to be put in their place. Where will all these young people find employment if the jobs provided by OFY projects are eliminated? A number of young people employed in these projects fall within the 14 to 24-years old category. Many young people in the city of Yorkton, in my riding, would have to go on welfare if the LIP projects or the LIP program itself were eliminated. People in the Metis society in the city of Yorkton would be unemployed again if they were not working on projects under LIP. If these projects are to be eliminated, let us have some long-term, ongoing projects put in their place.

I question the economics of some of these short-term projects, but I do not want to see them scrapped unless something is put in their place that will enable Canadians, regardless of their background, educational or social, to work and provide for their families and make a contribution to this country. What we need in Canada is a planned economy. We need a concerted effort that will reduce inflation but put the people to work. We need a full employment policy.

Let us consider three or four areas at which I think the government should take a very serious look. I am thinking of the area of housing, where we have extremely high interest rates and high construction costs, yet a shortage of houses that fewer and fewer people can afford to buy. The government should be forcing the banks to lower their interest rates and allocate a far greater portion of their investment portfolios to the housing area. This would increase the supply and bring down interest rates and the cost of housing. It would, at the same time, stimulate the economy by providing more jobs in construction and in the forest industry in place of high unemployment such as New Brunswick, Quebec and parts of British Columbia. This is something the government could do to bring down unemployment and at the same time bring down the high rate of inflation and the high cost of housing and shelter for the Canadian people.

Another area in which the government could move is that of food production and cost. The government should move very quickly on a stabilization program so that farmers in this country will have price guarantees for their products. If they had price guarantees there would be a much more consistent pattern of food production. With a more consistent production pattern there would be more consistent pricing at the other end. If you have orderly marketing, farmers can afford to produce more food, and if there is more production the chances are that inflation at the other end, where men and women purchase food at the retail level, will not be as great.

I would also look to the area of the resource community. It is this area about which the hon. member for Athabasca is so concerned. He is concerned about increasing government expenditure in the resource field. I suggest that is a laugh. The government has not gone far enough toward intervention in the field of natural resources in this country at the federal or the provincial level. Petro-Can has been established, but the main criticism I have in that regard is that its funding will not be great enough. What the government should be doing is nationalizing Imperial Oil. The governments of Alberta and Saskatchewan should be establishing a publicly-owned oil industry in this country.

An hon. Member: What about potash?

Mr. Nystrom: I suggest that the government of Saskatchewan has undertaken, in respect of potash, one of the most progressive and advanced moves taken in this country for a long time. This example set by Saskatchewan should be followed by the federal government and provincial governments right across this country. The renewable and non-renewable natural resources of this country should be publicly-owned. The fact is that for the most part the resources are foreign-owned. Let me spend my last two or three minutes in this debate discussing the potash situation and trying to enlighten some of the Liberal back-

benchers, if that is at all possible. I see the hon. member for Nipissing (Mr. Blais) smiling.

Let us go back a few years when almost all of the postash industry in Saskatchewan was owned by foreign companies with headquarters in Denver, Toronto, Europe, Houston and many other places except the province of Saskatchewan. The mines that were developed during the last few years have in the last few months been enjoying very high prices for their production of potash. I am glad to see the hon. member for Battleford-Kindersley (Mr. McIsaac) back in the House. Let me point out that they have brought the price of potash up from $20 a ton which was the situation back in 1969.

Let me give some reasons to support the idea that public ownership is very economical. In 1975, the price of potash went up from $20 a ton to $75 a ton, and the estimate of most people is that it will reach about $100 a ton by 1980. The demand for potash will probably double in the next 15 years. The mines in Saskatchewan are operating at nearly full capacity and there is a dire need to expand their capacity. In Saskatchewan there is around 40 per cent of the world's reserves of potash—the greatest reserves in the world, except possibly for the Soviet Union. We have those reserves in our province and they should be developed publicly for and on behalf of all the people.

● (1610)

I recall that when the hon. member for Battleford-Kindersley was sitting in the Saskatchewan legislature a few years ago there was an oversupply of potash and the IMC mine operated by the Americans, with a subsidiary in Mexico, had to cut down its production because of the oversupply. They cut down about 60 per cent of their production in my constituency, while in the United States they cut down by only 10 per cent or 15 per cent. Thus, people in my riding joined the unemployment rolls and were thrown out of work while jobs were saved for the Americans. That was a natural reaction by IMC and it is a natural consequence of foreign ownership. It is the branch of the plant that will be cut down and thrown away first. But now we find in Saskatchewan an industry that will grow, a product the price of which will continue to rise and the market for which will increase.

Potash is used primarily for fertilizer; about 95 per cent of it is used for that purpose. As the world's agricultural economy becomes more sophisticated, as knowledge increases and the developing nations become more wealthy, the demand for potash will increase. The profits of the privately-owned potash companies in Saskatchewan went up and the Saskatchewan government naturally increased the taxes, but many of these mining companies refused to pay the taxes and took our government to court on the issue. They were not ready to expand, and several mines announced that the plan for expansion was either cancelled or postponed until the court cases were heard. They are withholding their taxes. Mr. Speaker, you could not do that without the Department of National Revenue taking action against you.

The potash companies are holding the government to ransom. They will not expand, thus denying jobs, and they will not pay taxes, thus denying revenue to the Saskatchewan people. So the premier of our province did the only logical and sensible thing; he announced that the mines would be nationalized and taken over by the people of Saskatchewan. We have the money for that; much of it is right in the province of Saskatchewan, and the rest will be borrowed and paid back over the years. In years to come the Saskatchewan people will have an asset which will appreciate by literally hundreds of millions of dollars for the people of our province, not just for me but for my children's generation and for their children and generations to come.

[Mr. Nystrom.]

It will be a resource owned wholly by the people of Saskatchewan and by all Canadians. It will be the only resource company in this country on a large scale which will have its head office in Saskatchewan—and the jobs at the head office will be in Saskatchewan, not in Houston, not in Denver, not in Europe. The corporation in Saskatchewan will be able to open new mines and expand. That is one of the first things it will do. This would not happen under private enterprise in Saskatchewan. The hon. member for Battleford-Kindersley knows that the potash companies were going to cancel or postpone their plans to expand the mines because the taxes were too high.

There are two choices which you have: you can either say, "We will lower the taxes and you, poor company, will expand, but we will get less revenue from the taxes," or you can take them over and expand and develop the mines. If you make that decision, you keep the money. That is a much better investment for the people of Saskatchewan. Why will this government not do this with the tar sands in Alberta? They have an obligation to develop such a resource on behalf of all the people of Canada. In Saskatchewan we will have these head office jobs, we will have research and development jobs, we will expand our industry, we will keep the profits in the province and we will control the biggest resource company in Canada that is Canadian-owned—all within the boundaries of a small province.

These are the things this government should be doing on a national scale. Just think what they could do if they seriously tackled the oil industry, in terms of keeping prices down for consumers, in terms of the petrochemical industry and in terms of keeping the profits in this country. These are the things they could do if they would provide economic leadership. But that is something which I am afraid they are not willing to do.

Mr. Alan Martin (Scarborough West): Mr. Speaker, I would like to speak on the motion before us by saying initially a few words in favour of the implementation of an anti-inflation policy in Canada at the present time. Any national economy that is unable to control the value of its monetary exchange unit over the short to long term within some reasonable guidelines is indeed in trouble. The problem, economically speaking, must take priority over other social and economic problems that may be facing the nation at the time, for without a solution to this basic issue, all other government leadership endeavours are bound to be fraught with a good degree of failure. A just society can never be achieved, nor moved in a very positive direction, if we cannot assure members of our society that there is a good degree of strength in the monetary system.

The old age pensioner on a fixed income, the young widow receiving a static allowance or pension as the sole

means of support for her and her family, the wage or salary earner forming part of the vast majority of our work force where the ability to negotiate a higher rate of income is almost non-existent, the businessman locked into a contract which makes no provision for a higher revenue to him in the face of substantially rising costs, all these people depend on someone and, I suggest, look to the government for leadership to somehow or other help them out of their predicament by taking steps to introduce measures which will alleviate the upward spiral of the inflationary infection which is having such an undesirable effect on their very ability to make ends meet in the course of their already limited standard of living.

Further up the line we have the middle-income group who form a larger and larger proportion of the Canadian social fabric. They are perhaps those who have been able to or are steadily saving toward the purchase of a home in which to live and raise their families. Just when they are at a point where they envisage moving, if a purchase is being considered, or start making their first mortgage payments in the case of a purchase having been made, the rising inflationary factor seems to sweep their accomplishment out of their hands and they find themselves once again against the wall.

It is at a time like this that a government—in my view, particularly a national government—must act. It must make a move to show leadership to the people who elected it to govern. This is what I suggest the Prime Minister of Canada (Mr. Trudeau) did on the evening of October 13, 1975. He and the government took the bull by the horns and came out with an anti-inflation policy which, I suggest to the House, is receiving increasing support across the country as the weeks go by.

Let me speak further on this aspect of leadership which was raised by the hon. member for Richmond (Mr. Beaudoin). Why anti-inflation measures now? Why not six months hence? I should like to deal with this question. The reason for not postponing the inevitable at this point—this, I suggest, reflects on leadership—is simply that the nation could probably not sustain a further six months of unbounded leaps in the rate at which the Canadian dollar was decreasing in terms of the goods and services it could acquire. A move was required without further delay.

● (1620)

The swift and concerted attention which has swung toward the Anti-Inflation Board in its early days of existence is surely an indication of the inflationary forces which beset the Canadian economy last fall. Leadership was required as the thirtieth parliament was about to reconvene after the summer recess. Leadership came, and it is astounding that once it arrived, those opposition voices which cry for leadership whenever they run out of viable alternative policies to place before this House—and unfortunately that is all too frequently—cringed in despair as the principal crutch on which they spent so much time leaning was virtually snapped out of their hands. Opposition members were bereft and without the apparent means to bolster themselves up with a new crutch. They were so disorganized that the official opposition of this country, the party to whom Canadians look as the only viable alternative on the national horizon, were caught with their proverbial pants down and voted against the very type of legislation which they themselves promoted as a cure-all to Canada's ills only a short 15 months before. That is very strange behaviour indeed and, I suggest, is most incomprehensible to the minds of the voters of this country.

The hon. member for Richmond is concerned about unemployment in this country. So am I; so are we all. The point to be made is that whatever evils may accompany unemployment—and, granted, there are many—these evils will undoubtedly be greater in the event that an inflationary rate which has achieved the dubious distinction of two-figure status is not brought under control. The hon. member speaks of lack of foresight. Is it not a distinct example of foresight, carefully applied, to look a growing national problem in the eye, to consider its probable impact over the ensuing mounths and years, and then to act?

That is what our Prime Minister did on the evening of October 13. That is what the government I support did in following up the initial action of the Prime Minister by sending its ministers out to the hustings to explain to the Canadian people exactly why the new anti-inflation policy was a clear example of foresight and leadership on the part of the elected officials who had been charged with the task of running the government of this country for the next four years or so, as of July, 1974. Foresight and leadership we have, based on sound rationale and supported by a careful analysis and examination of the situation at hand.

Responding for a moment to the hon. member for Yorkton-Melville (Mr. Nystrom), unemployment is a problem in this country which has always occupied a high level of attention by this government and will continue to do so in the future. However, let us make one point very clear. There are many factors accounting for unemployment problems in a given country at any given time.

An hon. Member: The Liberal government is the biggest one.

Mr. Martin: However, we must be sensible about this. Governments do not create unemployment; they try to react to the conditions which bring about unemployment. That is why we have DREE, that is why we have Opportunities for Youth Programs in the summer. That is why we endeavour to equalize tax revenue situations across the country. That is why so much of our effort is directed toward overcoming the disparities and the difficulties faced by people in various regions of the country. It is to make every endeavour, within the free enterprise system, to bolster the economies of regions and the society which makes up these regions. That is why we are constantly searching for new export markets and encouraging Canadian industry to look beyond its more traditional markets within and without the country. All these government initiatives are aimed at strengthening the Canadian economy and at providing more and more jobs for an ever-expanding work force.

Obviously, from time to time difficulties in the area of any government initiatives will be encountered and this is particularly so when such initiatives are aimed at producing more jobs. A softening of world markets is bound to make it more difficult for an exporting industry to increase its production and thus hire more workers. A tightening of the money supply within the country will

certainly produce greater difficulties to domestic industry attempting to expand. There is no question that the anti-inflation policy will present the government with new challenges in all these areas. The policy is intended to keep a reasonable lid on both prices and incomes.

Canadians are being asked to revise the order of their priorities over the next little while. All these factors will have an effect on the viable productive capacity of various individual industries within the country. The government will respond to these challenges and, unlike the opposition parties which sit across from us in this House, it will respond in a positive and meaningful way and I am sure it will continue to receive the support of the vast majority of the Canadian people.

Before concluding, I should like to make reference to a comment made by the hon. member for Athabasca (Mr. Yewchuk) with regard to Petro-Can in which he once again referred to the lack of necessity for an organization sponsored by government in this particular industry. As we said last spring—I think it is worth while again reminding the hon. member and his party—the situation in Canada today regarding oil and natural gas supplies has changed dramatically from the situation three or four years ago. I suggest that the entry of a government-sponsored organization such as Petro-Can into this over-all problem will, in turn, not only create more jobs by assisting in the exploration and development of new sources of energy but will also serve to alleviate some very serious energy problems which would otherwise beset us in the years to come.

● (1630)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like at the outset of my remarks to point out that our parliamentary system is most democratic. Indeed, its rules provide for days allotted to the opposition to enable it to criticize objectively the administration, more specifically the government, for its omissions while the government for its part will surely talk about its accomplishments which, as the Prime Minister (Mr. Trudeau) suggested this afternoon, are normally paid for by Canadian taxpayers.

I was astounded to hear the answer given by the Prime Minister this afternoon to a question asked by my colleague, the hon. member for Champlain (Mr. Matte), concerning loans made to developing or underdeveloped countries. Not only, Mr. Speaker, does the administration as we know it make us pay interest on loans contracted on our behalf but according to the answer given by the Prime Minister we must also pay interest on loans contracted to make gifts to help underdeveloped or developing countries.

I listened attentively to the hon. member who spoke before me. I congratulate him. He spoke very objective words, and I think that is the way one should participate in the debate in this House not only to give the people of this country the impression that we are serious people and we want to give the best administration possible but to prove to them through actions, steps, decisions, that we are really conscious of our responsibilities and we want to solve the problems facing the people of this country, our country. Mr. Speaker, the government on those opposition days expects criticism. Today, December 9, 1975, is an opposition day, and the topic was selected—

[*English*]

Mr. Crouse: Mr. Speaker, I rise on a point of order. I am very anxious to hear what the hon. member has to say, but I regret to report that the simultaneous interpretation is not coming through the system. I wonder if it could be checked before the hon. member continues his address.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, it is your responsibility to restore—

[*English*]

The Acting Speaker (Mr. Turner (London East)): Order, please. I believe it is working now.

[*Translation*]

Mr. Lambert (Bellechasse): Thank you very much. I think the hon. member who has drawn to the attention of the Speaker the fact that he could not hear my remarks. It proves that he is interested in what is said in the House. I congratulate him.

I was saying that the topic selected by the Social Credit Party of Canada today is excellent; the backbenchers should not be offended by my remarks. If we refused to blame the government for its failures, we would be shirking our duty and the people would have the right to judge us severely, because the people have elected 264 members and we do not live under dictatorship in this country. The people of Canada are asked to make a choice and they choose what they want. And when they send us to Parliament they expect us to be of different opinion, to have divergent points of view, but that we will join our effort to administrate our country as well as possible.

Mr. Speaker, for those reasons I support the motion of my colleague, the hon. member of Richmond (Mr. Beaudoin). This motion of no confidence against the government is perfectly justified. In fact, the hon. member described exactly the promises and commitments that the Liberal party made to the people of Canada and did not fulfill entirely. Even if the right hon. Prime Minister, in 1974, during the last elections presented himself to the nation as the only one detaining the magic formula to solve the inflation and unemployment problems created by the credit-debt system he advocates, it was just another electoral promise as since July 8, 1974 the economic situation of our country has been deteriorating and our Canadian dollar has continued to devaluate, the number of unemployed has continued to rise, and we do not know in what direction this government steers our economy.

In 1975, Mr. Speaker, the economic situation looks strangely like that of the year 1926 to 1930 and 1930 to 1939.

Of course, the younger members cannot make the comparison as they were not born at that time. However, at that time, like now, the system was the same and they were many bankruptcies were the order of the day. Like today, banks were empowered to turn the credit tap on or off and they contributed to multiply industrial and business bankruptcies through curtailments and even, in several cases, through a complete withdrawal of credit margins;

the result was paralyzed industrial and business activities for a large number of companies.

Let us remember, Mr. Speaker, that during the war of 1914-18, the government contributed to putting into circulation an impressive quantity of dollars which were used first and foremost to produce ammunitions of all kinds that the consumer would not buy but which were nevertheless manufactured and, the flow of money thus created increased the purchasing power for consumer goods.

This caused an extraordinary price increase in all sectors of our economy at that time. Farms would sell at exhorbitant prices. Food prices rose to a level which enticed farmers' sons to buy very expensive farms of their own, in the hope that the situation would remain the same for years to come. That was the post-war boom.

Alas, disenchantment followed. The days of artificial prosperity were soon over and the year 1929 came too soon. That was the onset of the depression, of the "*crash*" as they called it in the United States. I remember those days, being then a young man already on the labour market. We learned, not on the radio because our sets were not able to tune in American stations, but in the newspapers that the "crash" on the New York stock exchange had tolled the knell. That was the onset of the depression because people had been led to believe U.S. that the dollar would depreciate and Americans who had money in the banks ran to those banks to take out their savings, because they no longer had confidence in the American banking system. They feared they would lose their savings.

● (1640)

What happened is that the American government reacted very rapidly. The president called the Congress. It came to the rescue of the banking system to restore the confidence of the American people. All financial institutions were forced to close down and through legislation, the American government restored the people's confidence necessary to allow the system to keep on working.

It remains nevertheless that it was the beginning of a depression which caused great hardship not only to the american people, but to the canadian people as well.

In the period between 1918 and 1929 some people lost everything they had worked for because they thought, from lack of experience, that the boom they had lived through would last. At that time, people were buying anything at any price, a business, an industry, a farm, what have you. But when 1929 came, profits disappeared and we experienced bankruptcies, as I said before, many bankrupties, loss of savings, to such an extent that people fell ill and had to be hospitalized for the rest of their lives.

Mr. Speaker, to recall those cases is not daydreaming, it is simply to call attention to the current situation.

It will be remembered that in 1930, there was a general election in Canada. At that time, I was old enough to attend political meetings and see and hear on the hustings Liberal and Conservative candidates debating.

At that time, in Saint-Adrien, my home town in the riding of Megantic, I saw two real men, two candidates fight one another vigorously after Sunday mass on the porch generously made available by the owner of the general store, so that the candidates may inform the people. I remember seeing, among others, a respectable merchant, an experienced businessman, Mr. Léonard Tremblay, who as a Liberal member represented in this House for a number of years the riding of Dorchester, now included in the riding of Bellechasse. Mr. Tremblay used to say with bitterness: "Butter is cheap, but what can we do, it is a global problem, butter is flowing everywhere." I remember those phrases. Butter was cheap. The price of 4 cents a pound did not even pay the paper to wrap it in. And they used to say, as we are told now, it was a global problem, we must accept it as a scourge, because we were sinners and we had to pay for our failures.

Mr. Speaker, the Canadian people believed what politicians said at that time, and the Liberal party was beaten. A discouraged Mackenzie King asked: "How did it happen? I tried my best, I wanted to give my country the best administration possible and the people do not understand. And Mr. R. B. Bennett was elected. He took the power with as many seats he wanted—an overwhelming majority. And then he tried by all possible means to put the country on the way to prosperity. But the bankers had control over Mr. Bennett as they used to have over Mr. King and he did not have the required money to achieve programs designed to create employment with a view to restoring the confidence of Canadians and making them prosperous.

At that time, we had the direct assistance system, which strangely reminds me of the system we have now. It is called differently but it provides the same remedies, the same means. Then as now there were thousands and thousands of youths able to work but who could not find any jobs. And I recall an employment system for young people, who were told: you are lazy, you do not want to work. Canadians are lazy since you do not want to earn a living, you do not work. This is what they were told at that time. And they had been given the opportunity to join the army. You do not have the means to buy clothes, we shall clothe you. And then, they were dressed in a kaki uniform and paid 20 cents a day. Imagine, 20 cents a day! What kind of a future would young people prepare with 20 cents a day! What happened? Untold numbers of young people thus lost precious years that they could have used to truly prepare themselves for the future.

Then, in 1935, there was a general election. The two same men ran against each other: Mr. Bennett for the Conservatives and Mr. King for the Liberals. Each one had a sensational program which would bring prosperity to Canada. But Mr. King had had time to reflect for a few years. He had had time to get to the bottom of things and to truly study what had been the cause of his mismanagement. And Mr. King had discovered that it was a lack of money. He said: Well, if I am reelected, I know what to do. You will witness the greatest fight between the government and high finance that has ever been seen in the whole world. People believed him. Mr. King said: If a parliament, if a government does not regain control over its money and credit, it is useless to talk of democracy. He said: If I am given the power to do so, I will fix all that. He was therefore given the power but the problem was not solved; it has remained unsolved to this day.

The great fight that the Canadian people were supposed to witness never happened. Of course, we were given the Bank of Canada, that institution with a truly fine-sounding name: Bank of Canada, the Bank of Canadians, but the government forgot to give to the Bank of Canada the

necessary tools, capacity and authority to fulfill its true role as the Bank of Canadians. Its role is restricted to receiving from the chartered banks the money on which the chartered banks based themselves to create the credit of the nation under the act. The Bank of Canada only receives the cash reserves which chartered banks are bound by law to deposit in that bank to be permitted to go on practising that larceny legalised by an act of Parliament, an ever thriving business. Let hon. members just have a look at the answers of the Minister of Finance to questions on the order paper of the House and they will understand that our present banking system which operates at a profit is going through an era of outstanding prosperity, to the point that bankers no longer know where they should invest, after deriving such fabulous profits from that medium of exchange called money. That system should be a service controlled by government, by the Bank of Canada, so that the funds necessary for a proper circulation of goods and services in Canada would be accounted for by the Bank of Canada after statistical data provided by Statistics Canada.

And if a constant balance was kept in the money supply required to circulate goods and services provided by Canadians through their work, then we in Canada would have a balanced money supply, and the exchange medium would not be commercialized like an ordinary commodity, but it would have a constant relationship with the productive capacity of Canadians and consumer needs.

I know of course, Mr. Speaker, some people will say: Social Credit members dream in colour. You like colour TV, everyone buys colour TV sets today, and they pay a tremendous price to buy one because they like it. So if you think we dream in colour, just look at us dreaming. Try to look at us, try to understand at least the suggestions we are attempting to make in this Parliament to try and help the government solve today's problems. Mr. Speaker, let us not forget this: we now have in Canada thousands of young people who are unemployed, people for whose education we paid a lot of money in building multidisciplinary schools, CEGEPs, universities, to have them learn a trade, to have them become Canadians able to help us older people in our efforts to go on building a country where it would be good to live and which we would love all the more. But no, our children are among the jobless.

Mr. Speaker, was there not a cheaper way of increasing the number of unemployed? Personally, not only do I think so but I say so, and since I have a responsibility to assume, as everybody else, in Parliament, I would appreciate it if members would pay serious attention to the proposals we are making in all objectivity and seriousness. It is not a crime to consider them. How discouraging it is to see adults, reasonable people, rejecting with the back of their hands any suggestion contributed by the opposition on the assumption that they are not serious, not sound.

Mr. Speaker, before passing judgment on someone else's ideas, one must first get to know them in order to be able to analyse them, and see whether there is something in them which may be used and applied to upgrade the economic situation in our country, something which would give our youth faith in the future of our country. I think each parliamentarian has the responsibility of taking the trouble to consider them as something valid, as something worth being heard and judged afterwards.

[Mr. Lambert (Bellechasse).]

Mr. Speaker, earlier this fall, during the recess, not during the session, I went to the north shore. I went there to get information as a representative. I went on the other side of the river to see what is going on there and I noticed that there are bright prospects there. But I also noticed that we go and hire workers in Europe for the positions our young people could take on if we ensured they can complete their training.

Mr. Speaker, in my constituency of Bellechasse, there is room for training 240 operators of heavy machinery. Some 1,200 young people are waiting. Why not allocate funds which would enable regional school boards to open new centres so that these young people could complete the training required to apply for these positions which are available on the north shore? But no! School board officials say: "We don't mind but we have no money" The Minister of Manpower and Immigration says: "It's all right with me but the Treasury Board won't give us money". Everybody complains of having no money, nobody does anything about it and everybody starves.

[*English*]

● (1650)

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, it is ironic that we are speaking on a motion today which states:

That this House considers the government has lacked foresight and leadership in the conduct of the affairs of Canada and should be blamed for its failure to fulfil its promise—

It is ironic because this is the day that the Auditor General's report came out. Talk about horror stories. It makes past editions read like fairy tales. Therefore, there is complete justification for a motion like this. The blame has to be laid at the doorstep of the Liberals. They have been in power for many years. If they had such great administrative ability we would not be receiving reports like this. It really makes interesting reading.

For many months Progressive Conservative members of parliament have grilled the federal Liberal government in Ottawa extensively on its spending practices, and with good reason. Federal government expenditures have increased to astronomical proportions since 1968. It is estimated that before this fiscal year is over total government spending will reach $35 billion for all accounts, almost 40 per cent of the gross national product. The question is whether the country can afford this kind of extravagance at the present time considering the economic problems we face.

Mr. Guay (St. Boniface): What are you going to cut out?

Mr. McKenzie: The hon. member for St. Boniface (Mr. Guay) asks what we are going to cut out. It is not what we are going to cut out, but what they are going to cut out. According to today's newspapers they are not cutting anything out.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. I would like the hon. member for Winnipeg South Centre (Mr. McKenzie) to tell this House what he would like to see cut out. The time has come for the opposition to tell this side what they want elmininated. Instead of just talking about spending, they should tell us where to cut.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: Order, please. Surely the hon. member will agree that he raised an argument rather than a point of order.

[*English*]

Mr. McKenzie: There was one very good suggestion—cut out the government.

Mr. Guay (St. Boniface): That is a nonsensical answer.

Mr. McKenzie: What Liberal members fail to realize—

Mr. Guay (St. Boniface): The only place he is any good is on CBC radio—

Mr. McKenzie: Yes, he wants me there tomorrow. There are a number of other radio stations as well.

What the Liberals fail to realize is that it is not just social programs for which the government is responsible. It is also responsible for managing your affairs properly and having a proper accounting.

Crown corporations have to spend properly. The hon. member is aware of all the Viscount aircraft at the Winnipeg airport that were overhauled at a cost of between $200,000 and $600,000 each, but are only worth $10,000 to $50,000 on the market. They cannot be flown because they are not airworthy.

I will give another example of mismanagement. The hon. member asked me a question which I will answer. A number of years ago there was the Samson-Belair report which cost $239,000. If dealt very extensively with regard to postal delivery being left in the hands of private contractors. It went into the dollars and cents, and stated why that business should be left to private contractors. When the Post Office took over, there were 239 more trucks and hundreds more men. We had the cost of the Post Office operation going up and the service going down.

In committee I asked deputy ministers if they could cut their expenditures by at least 10 per cent a year. A number of them have told me that if so instructed by their ministers they could curtail expenditures by 10 per cent. I have presented motions requesting that this be done, but the Liberals have turned them down.

● (1700)

The Prime Minister (Mr. Trudeau) says present excessive expenditures have been brought about as a result of pressure from the news media, the opposition, and the general public. I challenged him on this issue in the context of Information Canada. That costs only a paltry $10 million a year, but it amounts to nothing but a bunch of duplication. There are 750 information officers spread out among the departments as a whole. We do not need them all. Information Canada is just duplication. That is a prime example, and I suggest to hon. members that if they read this speech they will find out a lot more.

Mr. Paproski: Don't go now, Joe. Can't you stand the heat?

Mr. McKenzie: Joe wouldn't run his shoe store the way this government runs the country.

Canadian Economy

Approximately half the government's spending cannot be touched by parliament as it is in the form of statutory estimates which can be examined, but not reduced. Members of parliament, when asked to approve estimates, do not receive government spending proposals in the form of meaningful programs in which objectives are outlined and justified on the basis of factual data. I am sure the hon. member for South Shore (Mr. Crouse) will back me up in this assertion. There should be many improvements in the government's accounting system.

Mr. Crouse: Hear, hear!

Mr. McKenzie: The 1968-69 rule changes effectively curtailed the operations of parliament so that it no longer has an effective rein on supply. The result is that members of parliament now must spend long hours just trying to understand the format of the Blue Book of Estimates. Increasingly moneys are concealed in estimates and hidden votes such as those designated for security measures. These are being used more and more often. The party to which I belong is concerned about this, Mr. Speaker. It is a very real issue. The federal government is obsessed with secrecy with respect to its spending plans and programs. It conceals money in the estimates without explanation, and it prevents Commons committees from calling witnesses who are supposed to be responsible for directing expenditures into which we are inquiring.

The Ontario government made a very wise move recently. It hired the former Auditor General, Mr. Maxwell Henderson. He can be expected to stir up a storm in connection with almost anything he tackles. He has the rare ability to be able to cut through the fog and put his finger on sensitive issues. In a relatively short time, Henderson and his committee were able to come up with 184 recommendations which, if implemented, could save Ontario taxpayers $3.6 billion over the next two years. This is the gentleman whose authority hon. members opposite wished to curtail.

There is one person who is supposed to have been given the power to act as a watchdog over government spending, and that is the Auditor General. Bearing this in mind I should like to quote what my hon. friend from Peace River said in this House on June 2:

> As the power of the Commons has diminished with regard to meaningful examination and scrutiny of estimates, we have driven back to the final line of defence of the beleaguered taxpayer of Canada, the office of the Auditor General.

Unfortunately, though, the federal government is trying to place limitations on the power of the Auditor General in order to ensure that parliament, in the words of my hon. friend from Peace River, "does not have an effective, useful and meaningful Auditor General's office."

I should like to read some excerpts from the report of the Auditor General which I have to hand. For example, he states:

> A number of major concerns related to internal audit have been identified and may be summarized as follows: some departments have no internal audit.

I wonder whether the hon. member for St. Boniface carries out his business without an internal audit. I doubt it.

> Internal auditors are often involved in systems which may divert them or compromise their ability to discharge their responsibility.

Under "Program Forecasting and Budgeting" the report goes on to say:

An annual review of country program projects was carried out by operating units in the bilateral branch, the largest of the operating branches, but this review was not made in conjunction with the annual program forecast. As a result there is no firm information base to ensure that forecasts reflect executive priorities.

This sort of thing appears in hundreds of pages of the document which was released today.

CIDA is a subject in which I am interested, Mr. Speaker. I am not opposed to aiding under-privileged countries. Hon. members might note, however, that the budget has now reached almost one billion dollars a year. An article appeared recently about CIDA under the heading "Spend, Spend, Spend." Apparently officials were rushing around at the end of 1974 to get rid of $117 million which had been held over, so that the Treasury Board would not get it back. I have discussed this sort of thing with the Auditor General and he tells me it goes on in almost every department—they scurry about at the end of the year to spend any money they have in their votes. This is one area which ought to be looked into if the government has any real intention to curtail expenditures. It has nothing to do with cutting off somebody's old age pension.

Referring to CIDA, the Auditor General's report states:

Recipients of all grants and contributions should be shown in public accounts and consideration should be given to classifying grants and contributions by agency division, such as Asia, the Caribbean, the Commonwealth, etc. Consideration should be given to disclosing public accounts the full financial implications pertaining to the loan vote including the undisbursed portions of the authorized loans.

We in this House have tried to get hold of documents relating to CIDA—the subject was debated here recently—but the government declined to release documents upon the basis of which we could conduct a proper examination. It is members opposite who should be criticized, not us. We are the ones who are asking for open government and a proper accounting system.

The Auditor General has stated that some of his recommendations will be implemented. I, for one, hope they will all be implemented in the very near future. The Auditor General goes on to say:

Departmental financial transactions are recorded in two separate formal financial systems. In addition to utilizing the financial reporting services of the Department of Supply and Services the department also maintains its own computerized financial reporting systems. Inputs to the two systems are mainly prepared independently thus resulting in inefficiency and differences between total expenditures reported by the two systems. The department should exchange expenditure input data with Supply and Services in machine-readable format.

Reported in today's press is an example of the government's effort to contain expenditures. I can hardly believe it, since I find it very strange that the government should be making statements of any kind about curtailing its spending. At any rate, an article in today's paper, written by Geoff Johnson, says:

Up there on the 23rd floor of the Bell Canada palace on Elgin Street, lavishly appointed home of Treasury Board, keeper of the public purse, there is much honing of axes in readiness for the trimming of the public service.

The noise, of course, is muffled by the thick broadloom. Not for nothing is Treasury Board nesting in the most expensive accommodation ever rented by the federal government.

[Mr. McKenzie.]

Certainly, its not the carpets which will feel the axe first. If Treasury Board President Jean Chrétien has his way, yesterday's news story in this paper indicated, public servants will be laid off rather than be reduced in number by attrition.

The cuts, said the report, were born with the government's anti-inflation program announced two months ago and are intended to show the country that the government is practising what it preaches.

Meanwhile, nearer ground level, all appeared normal.

An insurance company has vacated its offices on the first two floors of the huge complex at Kent and Laurier dominated by the Department of Indian Affairs.

The department is expanding and says it needs the room.

Next year the suite in La Promenade building on the Mall housing Southam News Services and several other newspaper offices, including mine, is to be vacated.

The Canada Council is expanding and says it needs the space.

● (1710)

So you can see, Mr. Speaker, no curtailment at all is planned by the government.

Any day now the battered wooden fence which screens the lower floors of the new Bank of Canada building will be removed, and the public will be able to take in at last the entire majesty of the 12-storey tower of reflecting glass, a jewel shimmering in a dark sea of concrete and steel.

Not even in the developers' paradise of Montreal has an office building of its size cost so much to erect. It is a magnificent monument to free spending, from the year-round garden enclosed in plain glass to the fact that it will cost more to heat and cool than any other government building.

It will make those cabinet ministers and public service mandarins who have spent thousands upon thousands of dollars on renovating their offices this year look like bagmen for Cromwell.

When that wooden fence is taken away, the teachers, the postal workers, the public servants to be laid off—all will be able to get close enough to see their faces in the mirror walls and to reflect on the virtue of austerity.

Some austerity!

For a number of years this party has been asking for a complete examination of the operations of the unemployment insurance program. If unemployment exceeds 8 per cent this year—and many economists are predicting it—there will be over 800,000 Canadians out of work by December 31, 1975. That means each one of those Canadians will be a potential unemployment insurance recipient. Already, at an unemployment rate of 7.2 per cent annually, the unemployment insurance program is costing each Canadian man, woman and child $200 a year. The total cost of the program in 1975 alone is expected to be $4 billion. Between January, 1971, when the present program was first implemented, and December, 1975, our unemployment insurance bill is expected to reach a total of $10 billion. By comparison, between 1940 and 1970, a period of 30 years, Canada spent a total of only $6 million on unemployment insurance.

For well over two years the Progressive Conservative party has asked for an independent inquiry into the operations of the unemployment insurance program in order to find some answers to these and other problems associated with it. This is not an inquiry which implies a witch hunt or simply a crackdown on abuses, but one which would get to the roots of the problem and come up with some concrete answers. And unless there is an inquiry we feel the problems cannot be identified in their entirety and solutions found. In the absence of federal government initiative in this area, we continue to press for that inquiry. The

alternative, as we see it now, is escalation of the present situation and the resulting damaging effects it can have on the country.

To turn to another subject, I understand that the government is going to relocate some of its federal operations from the capital city of Ottawa to Montreal. I fail to see how this can be a priority at the present time. We are continuing to put up more and more government skyscrapers. One has only to look at the situation in Hull, where the process is never-ending. There is already a printing bureau in Hull with a work force of up to 1,500, including the Olympic coin packaging unit. There are 2,000 employees of the Department of the Environment and Fisheries. I also understand there is going to be a $17 million parking garage constructed in Hull. The government talks of energy conservation and leaving cars at home; we are trying to encourage people to use buses, yet the government builds a $17 million parking garage.

A report was published two years ago which indicated the government was going to construct a $10 million parking garage on Parliament Hill. If its estimated cost was $10 million two years ago it is easy to imagine what it would cost today. Whether this is going to go ahead I do not know, but one area of cut back would certainly be the elimination of the $17 million parking garage in Hull.

Another construction phase in Hull is to be occupied by the Department of Supply and Services; it will cost $98 million, with phase IV budgeted at $63 million. Unspecified government departments will be major tenants of Campeau Corporation's Le Terasse de la Chaudiere, to be completed in 1979 at a cost of $160 million. I should like to know when government restraint is going to appear. I suggest government members have a lot of nerve to criticize opposition members for making no suggestions. I have made some suggestions today, and on another occasion I shall have a long list of examples of mismanagement and of programs that can be cut out.

[*Translation*]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, if I may, I should like at the outset to re-read the motion, because after listening to some members I got worried and I shall say why after I have read the motion.

The motion read by the hon. member for Richmond (Mr. Beaudoin) states:

That this House considers the government has lacked foresight and leadership in the conduct of the affairs of Canada and should be blamed for its failure to fulfil its promise of a fair and just society and to prevent the deterioration of the social climate, and its failure to stop the alarming increase in unemployment, to introduce measures other than price and wage control, to prevent the actual rate of inflation and to make loans available to the provinces at an interest rate not exceeding the cost of administration.

I read the motion, Mr. Speaker, because the hon. member for Richmond read it, then gave us a rather long lecture. He even talked about capital punishment and all the crimes committed in the United States. That was one of the reasons why I wanted to read the motion. As for the hon. member for Athabasca (Mr. Yewchuk), he did not start his speech by reading the motion, but the whole time he was on his feet he spoke highly of a free society, of free enterprise.

● (1720)

Then I heard the hon. member for Yorkton-Melville (Mr. Nystrom) who spoke a little about unemployment but who particularly tried to impress the House with his reference to the natural resources of his province and to what he would do once those resources would be nationalized. Afterwards, the member for Scarborough West (Mr. Martin) spoke not only to the motion, but he took a few minutes to tell us exactly what had just been going on. I much appreciated it and I would ask the other members who did not pay attention as they should have to those comments to go over them after they are printed. Then we heard the hon. member for Bellechasse (Mr. Lambert). He probably brought back a few memories to several of us when he recalled the 1929 crash which rocked the United States, but he dealt primarily with a matter with which he is quite familiar and which he often refers to, whether before the house committees or here in this House, and that is the banking system now in operation in Canada. In his opinion, there are shortcomings in our system.

I will return to that if time permits. As for the comments of the hon. member for Winnipeg South Centre (Mr. McKenzie), I must more particularly dwell on them. He showed the House he has a quality no one knew he had. And I must say that two documents I am now holding total 489 pages. It is the Auditor General's report to the House of Commons. It was tabled today. As I said, there are 177 pages to the first part and 312 to the second. The hon. member could summarize all that and had assimilated it in about fifteen minutes. Moreover, he really convinced us that he had discovered the help we give underdeveloped countries and I could not understand his position, whether he approved or not.

I should like to deal with the motion moved by the hon. member for Richmond (Mr. Beaudoin). He regrets the lack of leadership of the present government. In the time that was allowed to him, probably against his way of thinking, he proved there is much leadership in Canada. To be able to criticize, structures must necessarily be set up. He lingered over that in a way which, I admit, seemed to him most deserving. He talked about the standing committees of the House to which I should like to turn my attention for a few moments. I have not had the opportunity, probably because I do not sit on the same committees, of seeing him often, particularly at those parliamentary committees considering precise matters. He might very well sit on other committees. We never meet. I have not had the opportunity to see him at these committee meetings.

As you know, Mr. Speaker, 21 parliamentary committees have been set up and have been operating differently ever since this government came to power. The Social Credit Party of Canada is quite willing to be part of them and as I indicated earlier the hon. member for Bellechasse does so; there has been at least 2,500 sittings and I am somewhat concerned about the fact that the hon. member for Richmond has stated that ministers are never present. On any parliamentary committee which requires the presence of ministers, the minister will attend, together with his assistants and departmental officials, to answer the questions which hon. members from from all the parties represented in the House may care to ask. In my opinion, this is

a worthwhile initiative. Some hon. members used to say: we cannot meet so and so; we never meet anybody.

Those parliamentary committees give precisely the opportunity not only to enquire from the minister but also to question the government's policies. If that is not done, the responsibility cannot be laid upon the government; it has to be laid upon anyone not taking part in the committee proceedings. Some of us members do not participate for different reasons. There are a few who prefer to participate here, and this is within their rights. It should at least be acknowledged that not only do members and ministers responsible for various programs participate in committee proceedings, but there are also thousands of witnesses who appear before the various committees to testify.

To still the fears of the hon. member for Bellechasse (Mr. Lambert), let me point out that when the tax reform act was introduced, there was for three years and half a great deal of participation by the hon. members who took the time to study it. The result was a substantial bill about which people were able to discuss and not only express their concerns, but also change what they wanted to change by bringing well-prepared resolutions before the committees and putting arguments forward, and in several cases, they were accepted. So, Mr. Speaker, nobody should say that there is no government, that there is no participation and no cooperation.

Last week, we adopted the anti-inflation bill, which is considered today by the Senate, before which the Minister of Finance (Mr. Macdonald) is now appearing. I see that for some reason, Social Crediters are suggesting that this bill should not have been introduced, but until now I did not find in their speeches any alternate solution.

I noted several points on which I shall come back later, but I did not notice any alternative. I want to deal later on with some of the recommendations.

I understood that this was almost illegal, that regulations would be drafted, that a board would be established and that this would not even be legal. Also, I understood that it would be impossible for members of the House to review the legislation. I think that it is a great disservice not to have read the bill or what was said. That exercise will take place in Parliament, if required by members of Parliament. I think this should have been pointed out, but maybe some of my colleagues forgot.

I should like to talk about leadership. Most members of the Social Credit Party of Canada come from eastern Canada, but there was no direct intervention regarding energy. This matter was not raised during the debate. It seems to me that it is to show leadership to allow the people of eastern Canada to benefit from direct state intervention in the economy through legislation and to provide them all with gas or heating oil at lower cost, at a price lower than the world price.

Now, I hear comments right and left. It is a matter of $4 less. The balance of forces may have something good. To some members, that may not mean much. Indeed, 33⅓, 40 per cent may not mean anything to them, but I feel that to allow a price 40 per cent lower than the world price requires a direct participation in the economy. Oil companies do not expect that, Mr. Speaker, that is for sure. Many have come and made representations and are still doing so.

After hearing the remarks of the member for Athabaska (Mr. Yewchuk), I know that he certainly does not want anyone to dwell on this matter. With regard to his province, this afternoon he made a kind of a sermon on the mount. He spoke of the intervention of the government with regard to those companies. So, there should be some sort of a balance between the arguments that have been heard until now.

When the Food Prices Review Board was set up, some companies were required to produce facts. That is direct intervention. That was not appreciated either. Subsidies were granted to bread and milk producers. Now, that is intervention and leadership. You will not find that in very many countries, Mr. Speaker. But we had it here in Canada and it has been forgotten, or skimmed over very lightly, in an effort not to dwell on what has been done.

With regard to the milk industry in particular, we on this side have heard the representations that were made from every corner opposite. Not only was the government asked to take action, which it did, but it was asked to intervene to a far greater extent than it did. Therefore, Mr. Speaker, both claims cannot not be made at one and the same time, namely that there is government intervention that costs money and redistributes wealth and, in the same breath, that there is no such intervention. Perhaps it would be better to go on to something else.

The exercise that fascinated me the most, Mr. Speaker, was in fact what was said about the year 2000.

● (1730)

The hon. member for Richmond (Mr. Beaudoin) made extraordinary projections. What struck me most at the very beginning of his remarks, was that he at least admitted that in this country where there is a government intervention, the average family income is $14,000. I may have missed something somewhere along the line, Mr. Speaker, but I think that as far as resources or structures are concerned, our country ranks second in the world. Even if it ranked only third or fourth, it would be quite good.

The government's responsibility is broader than that. This does not mean that everyone is earning this much or more. I think the government insisted on this, but it was in the spirit of the anti-inflation bill to ensure that people who cannot get along are given some attention. In order to achieve that, the economy had to be reviewed, and that is what the government did. This may be distressing to my honourable friends over there, I would not know. But if they are taken aback, I wish I could know because we have to help those who cannot help themselves. That was said by an honourable member earlier, and I think everybody in this House believes it. However, we must also restrain the abuses which befalls our society, whether they are ascribable to the governement, to the companies or to the unions.

Now, if one of these areas is deprived of certain powers, we may be sure that we will hear about it sooner or later, Mr. Speaker. We saw it in the parliamentary committee which sat on that matter. Certain companies or groups of people are absolutely opposed to the government taking any decision. The more you look at it, the more intervention there is, and the less I understand the motion put forward today.

I would also like to refer to what was done in the United States, because the point was raised a while ago. Price and wage controls in the United States seem to be placed in a context far removed from reality. They do not exist since 1970 in the U.S., they have been in existence for more than 30 years! They were imposed and removed from time to time. But they were not a successful in the United States according some American economists I met. They told us: We had several problems. We were told that thousands of civil servants would be needed to set up such a structure in our country. It is exactly what the Canadian government said. Then, we followed another course.

Just the same, one thing must be admitted: in the United States, the rate of inflation is now lower than it is here. There might have been some deficiencies in their system, as I said earlier, but what is good and useful in it might be adapted to our needs. That is what the anti-inflation act, Bill C-73, does at present.

There is also a point that our socialist friends do not mention very often, that productivity in the United States which is much higher. Now, some union leaders I met there take a quite different position. In some cases, those people not only restrict their demands on the tax revenues, but they also ask for salary cuts in some cases. I did not see that here, Mr. Speaker. I do not say we should follow that course, but I wish only to mention that there is in the States a quite obvious sense of responsibility that does not exist here within our unions. Maybe we should look more fully into that situation and ask everyone, since it is the subject of the bill under consideration, to participate in a reassessment and to ensure that our productivity is in proportion to our demands on the economy.

Another point which was previously mentioned is the fact that 29 per cent of our products are imported. We must realize that although this country is endowed with extraordinary resources, it also has a very harsh climate. A glance through the window today will be enough to convince us that we are living in a country with very rough climatic conditions. I am told that at this very moment the city of Toronto is totally paralyzed by a snow storm which is heading towards our area. So, this climate is not the best for all kinds of crops. This is why we have to rely on imports. I believe the hon. member for Richmond (Mr. Beaudoin) made that point this afternoon. I have no objection to imports because they are a necessity.

But what do we have in the present legislation? It says: All right, there are world prices, world markets, and we are now going to apply controls within our boundaries, set up marketing programs and ask the cooperation of provincial governments. It will not be easy.

I must admit that there was some abuse in that area. I myself was in that business for years and I could talk about it at length. However, I do not think this is the right place. Just the same, there is one thing we should consider, and the government does so. Farmers made justified representations, saying their revenues are not in keeping with their contribution to the Canadian economy, and I agree 100 per cent with them. But I say the government should stop and consider the very wide gap between farm income and consumer prices. That wide gap is not justified in some cases. I think that is where the problem lies, and where this bill will apply.

The question of the social climate was raised and is properly mentioned in the motion. And time permitting, I wish to address the House for a few minutes on that subject.

We have to admit first of all that there is no such thing as perfection on earth. But there are certainly in the social climate, in the areas with which some of my colleagues are familiar, some determining factors for the Canadian society. An hon. member earlier mentioned the guaranteed annual income. If we consider that 56 per cent of the federal budget, as the hon. member for Athabaska (Mr. Yewchuk) said, is transferred to the provinces and individuals, it is obvious that this equalization contributes to a better social climate, but is also a source of problems for managers. Therefore we should ask ourselves: Is that justified? In my opinion, it is indeed.

Secondly, does this help those who are most in need in our society? This is a very far-reaching question, Mr. Speaker, and we could spend a lot of time talking about it. But I believe that the programs that have been created, submitted and approved by this Parliament contained some factors which improved the social climate. I can list these programs: There is health insurance and also unemployment insurance, which constitute a transfer to individuals. This is costly, but we must ask ourselves one question. We must revise the position not only of individuals, but also of the government, whatever party is in power. We must ask ourselves a more far-reaching question than that. Does each level of the government now receive its part of the fiscal pie? In my opinion, that is valid question. I did not see it in the motion. It could have been brought up.

Mr. René Matte (Champlain): Mr. Speaker, the motion we are discussing today is obviously very timely. The lack of foresight in the direction of public affairs must certainly be noticed by the whole Canadian population. This lack of foresight is made even worse by the fact that all the data concerning this quasi catastrophic situation were clear and obvious several years ago. The problems were therefore systematically clouded. People were blinded to the facts on purpose. The last two elections showed the blatant inconsistence of government leadership. I would like to point out in particular the action of the Prime Minister during the last election campaign. How lightly, and I must also say how skilfully, he denounced and ridiculed the price and wage freeze proposal advocated by the Progressive Conservative party. Furthermore, how frivolously did he move about on the "Trudeau express" inviting people to come and see the train and admire Mrs. Trudeau and the two little Trudeaus at that time.

● (1740)

Mr. Speaker, we were then in a deep period of inflation. Can that be called leadership? How remote was that from considering the real solutions that were needed to remedy the problems of the day? That lack of leadership brought this government to accept today what it was laughing at heartily yesterday. And we now have that Anti-Inflation Board which wants to control prices and wages. Already, as our motion suggests, we have repercussions of that government's action and already we can feel it is leading to a deterioration of the social climate. Already we see that it

will swell the wave of unemployment. Already we can see the accurate aims of the non-confidence motion we introduced against this government. And, contrary to what the hon. member who spoke before me suggested, we are all the better placed to put our finger on those shortcomings that we were detecting in the government administration, that we had foreseen for a number of years and where the economic and financial policies of the government were systematically leading us. Let them come and tell us that we forget to talk about what has been done. Of course, measures and steps were taken, decisions were made, but all those measures, all those steps and all those decisions did not reach the goal that they should have. And as my hon. colleague for Bellechasse (Mr. Lambert) suggested earlier, that reminds me of someone who has a number of miles to go to reach a goal; he is going somewhere, and he has 300 miles to cover to get there. And there is the government telling us, we have gone 50 miles, we have reached that point and we are stopping there. It is all very nice to do 50 miles but what matters are those remaining 300 miles. Indeed, I think that in the present economic situation there is a distance ahead and if after 50 miles we decide to stop we have not gone very far.

So, Mr. Speaker, we are all the better placed to blame this government as for many years we pointed out the shortcomings that existed, we warned of what could happen, foreseeable catastrophies. Now is the day of reckoning. Mr. Speaker, the remedies will always fail to cope effectively with the conditions, since we never deal with the basic issue from which stem all the problems which we face.

Mr. Speaker, the settlement of the energy crisis seems to be quite an important matter, since oil prices in Canada are lower than at the world level. It would be ridiculous if it were otherwise. Indeed how could a government find normal that a country which a few weeks ago was exporting a million barrels of oil daily can tolerate dependence on foreign oil while it keeps on exporting some. It is so stupid and ridiculous that it was quite proper to establish a single price throughout Canada. Why did the government failed for years to direct its efforts toward the distribution of Canadian oil from west to east? Why has it not implemented such a policy? Why is there not today that famous pipeline which would bring oil to Montreal? Why? Is it not lack of foresight or consistence on the part of the government to hear the hon. member say: The government has done extraordinary things in setting up prices below the world price? Mr. Speaker, in Canada we have all we need when it comes to oil.

In the energy field, we have all we need to meet our requirements. We do not even have to rely on foreign crude but on one condition, that the government defines beforehand a policy to make up for it. Are we not right in saying that the government lacked foresight? Was it not the government's role to have foreseen that oil producing countries would one day close the tap? Is not a government there to anticipate those developments? Is it not there consequently to prevent and forestall them? I think it is unacceptable that we were subjected to that crisis. The hon. member was certainly ill inspired to use this as an example, because it was the height of ridicule and stupidity for a country as rich as Canada in energy in every shape and form, including oil, and the hon. member would have been right; in this case, however, as I said, he would have to disregard the millions of gallons of oil we are selling every day to the United States. We established a quota last week: 700,000 barrels a day instead of a million. Since we are selling oil, Mr. Speaker, the government should not come and talk to us about shortage or difficulties—

Mr. Blais: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The hon. parliamentary secretary rises on a point of order.

Mr. Blais: Mr. Speaker, the information the hon. member is giving the House is entirely wrong. We have not exported one million barrels of oil for the past two years. We export approximately 550,000 barrels.

Mr. Deputy Speaker: Order, please. Hopefully hon. members will wait for their turn to make their speeches; otherwise, if there are interventions and voiced disagreement, all hon. members will have difficulties putting forward their ideas. Hon. members should not rise on points of order to make contradictory statements, but should wait for the proper occasion to make their own speeches.

Mr. Matte: I am sorry, Mr. Speaker, it is only a digression I was making before moving along with my remarks. But indeed, as recently as a week ago, or perhaps 15 days ago, the government decided to limit the exports at 700,000 instead of one million. So we should know what is going on here before interjecting. Now, Mr. Speaker, about the measures which have been taken and which one would like to praise, the actual measures taken by the government, there is none which could have been anticipated, although this could have been possible. On the other hand, we are sure all that could have been avoided, particularly if we had started from one essential fact.

● (1750)

The hon. member for Bellechasse (Mr. Lambert) dealt with this and I do not want to comment on it at any length myself, but still I think he raised some really essential points. True enough, it was said three, four or five years ago, that the increasingly disastrous economic situation which was forthcoming could be ascribed to world conditions. We were told again and again that we had to accept it because it was a worldwide problem. Inflation was a worldwide problem! That is the answer that was given to all those who asked questions about the economic progress in this country.

Mr. Speaker, the government was thus trying systematically if not misleadingly to cover up the lack of leadership which prevented it from assuming its own responsibilities. You cannot speak of inflation as a world phenomenon in a country like ours, brimming over with natural resources of all sorts, capable of being self-sufficient, a country thus gifted with an almost totally independent economy. As I have already said in this House, Mr. Speaker, and I repeat it again, outside of bananas, grapefruits, and lemons, we lack very little in Canada. Furthermore, as my hon. colleague for Shefford (Mr. Rondeau) has pointed out, as far as lemons, are concerned, we have a good supply in the benches opposite.

So, is it possible that in a country like ours, capable of producing as much as we can, we should be told by our government that we will have to tighten our belts, that our production is not up to par and that, consequently, people will have to be urged to produce more. But to produce from what? Everyone knows that to produce, one must have, in the first place, the raw materials. And the raw material, we have them. Is there one hon. member in this House who can say that Canada has not all the raw materials required to produce all that we need? Who can say this? Is there one hon. member who would dare stand up and say that Canada does not have the natural resources required to produce everything we need, and this in all areas, namely food, clothing, construction and so on? This is the question we should ask ourselves.

Now that we have all the resources required, what else do we need, Mr. Speaker? Labour? Not with an unemployment rate of up to 10 and 12 per cent in some parts of the country. Then we have enough labour to produce whatever we need. What is lacking? Money, or rather the permission the government should give to issue the necessary credit to set production in action. For that matter, if the government had guided its policy in this direction, we would never have reached the point where we are today because, Mr. Speaker, if we try with economic means to achieve this equation, this perfect balance between the production we need all over the country on the one hand and on the other hand, the possibility of consuming this production, the problem of inflation will no longer exist. But when we have a government and leaders who admit candidly, as the Right Hon. Prime Minister has done in answer to my question this afternoon, that we borrow money by means of government savings bonds at a 9½ per cent interest rate which we lend interest free to foreign countries. Mr. Speaker, to borrow money at 9¼ per cent interest to lend it interest-free, that is bordering on ridicule. Come on!

Mr. Speaker, why a government leader simply answers that we cannot lend interest-free money within Canada? Because we have to borrow that money: this is the best joke I heard today. I will come back to that tomorrow so that the prime minister may not sound so ridiculous.

Then, Mr. Speaker, when a government has been warned and told what should be done, and the honourable Parliamentary Secretary to the Minister of Finance (Mr. Trudel) comes and asks us what are the suggestions? He must have been kidding when he said that. Usually, every time we have the opportunity, we are very careful to dot the "Is" and never do we criticize in a totally negative way; on the contrary, we always seek a proposal to counterbalance the negative criticism which we have the right to offer, right which we exercise.

This is why our motion ends in that way—when I hear the hon. member saying that we did not propose any concrete solution—that our motion ends in that way and I quote:

—and to make loans available to the provinces at an interest rate not exceeding the cost of administration.

In my opinion, this is a very concrete suggestion and we are sure of this statement. Moreover, if this was not true, if there was no opportunity—

Mr. Trudel: Mr. Speaker, I rise on a point of order.

Canadian Economy

The Acting Speaker (Mr. Turner (London East)): Order, please. The honourable Parliamentary Secretary to the Minister of Finance (Mr. Trudel) rises on a point of order.

Mr. Trudel: Mr. Speaker, may I make a remark. I think that I did say in my remarks, that some solutions were put forward about which I would like to talk, and which were presented by a colleague of the hon. member. Now, I did not have time to discuss them, but I wish I had. Maybe the hon. member took it the wrong way, or perhaps he just misunderstood. I want this to be recorded in *Hansard*.

Mr. Matte: At any rate, if the hon. member had not quite well understood then, I hope he has now and that he will prevail upon his colleagues to accept it.

Mr. Speaker, before concluding my remarks, I would like to point out that in this Parliament there is a dedicated political party whose existence depends on the economic policies he has put forward in order to fight inflation, which should not be ignored when we see even today that our neighbours to the South have understood the need to flight inflation by decreasing the interest rate. Indeed the *First National City Bank* in the United States is reported in the Sept 22nd 1975 issue of *La Presse* as having announced that it would lower its interest rate from 7.25 to 7 per cent.

Mr. Speaker, why don't we, here in Canada, go ahead since inflation can only be controlled by decreasing the interest rate, which would result in making borrowing easier and hence increasing production and really fighting inflation.

[*English*]

Mr. Deputy Speaker: The hon. member for Pembina (Mr. Elzinga).

Mr. Elzinga: Mr. Speaker, if it meets with the approval of the Chair I would call it six o'clock.

Mr. Deputy Speaker: Is it agreed we call it six o'clock?

Some hon. Members: Agreed.

[*Translation*]

Mr. Blais: Mr. Speaker—

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

Mr. Blais: No, Mr. Speaker. I was simply asking for the indulgence of the House to have the floor and carry on with the debate.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until eight p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*English*]

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member for Pembina (Mr. Elzinga) has the floor.

Mr. Peter Elzinga (Pembina): Mr. Speaker, I wish to deal with the first aspect of the motion brought before the House by the Social Credit party. The part I am interested in reads:

> That this House considers the government has lacked foresight and leadership in the conduct of the affairs of Canada and should be blamed for its failure to fulfil its promise of a fair and just society and to prevent the deterioration of the social climate . . .

When one observes that one is overspending and debts are mounting, generally this is the time to restrain spending and look seriously at ways to stabilize, and even reduce one's debt. Yet sound personal thinking and government rationale apparently are quite different.

In fact, government mismanagement has reached such extremes that a Canadian youth would have to stretch his imagination to the breaking point if he were to try to visualize his country as one that had a stable let alone decreasing cost of living. How could he be expected to understand a society which was strike-free, with a crime rate under control, with no expensive subsidies and privileges, with reasonable levels of income tax, and a monetary system in which a dollar will buy at least a quarter's worth of goods?

It would be great if youngsters knew "inflation" as something that filled balloons and bicycle tires; if "economy" meant "saving" and if "efficiency of government" and "dignity and self-reliance" were not just antiquated phrases they do not understand. Instead, they are encouraged to believe that man is so clever today he can ignore past experiences, and that once respected principles are no longer valid. Then they wonder why mankind is not happier today and if, perhaps, some element influencing that happiness is missing. After all, there is a great difference between cleverness and wisdom. And in the area of wisdom the government leaves a great deal to be desired.

The function of government in promoting Canada's economic growth is to encourage a climate in which initiatives and incentives can operate for the good of individuals and society. To ensure that the Canadian economy will serve the common good of all Canadians it is necessary to combine economic growth, price stability, taxation equity, and regional development. This would not reject the need for government control or participation in specific areas, but it would require that the state not stifle the ability of Canadians to make their own decisions within the framework of social order and economic justice. It needs imaginative government action directed toward unleashing the potential of the people themselves to put the economy on a sound footing.

The major social and economic problems facing Canada today are those disastrous twins, unemployment and inflation. The government has not succeeded in stemming the relentless inroads it is making into the lives of all. Piecemeal and fragmented activity cannot overcome unemployment. Make work programs such as the Local Initiatives and Opportunities for youth, even though some of their projects are beneficial to a few communities and individuals, are merely temporary stop-gaps that simply cannot be considered as an organized attack on unemployment.

We need long-term, realistic guidelines, something conspicuously absent in many Liberal government policies. Some guidelines have been set by the Economic Council of Canada, but left largely ignored in their implementation. I ask why the council's sound advice has not been taken by the government? The government has the responsibility of defining a workable national development policy. That plan must begin immediately if the unemployment and inflation dilemma is to be solved. Canada's industrial potential must be thoroughly examined and priorities given to areas where our skills and resources yield the greatest returns.

The Science Council of Canada recommended, soundly, to this effect: that the co-ordination of policies within the different levels of government is essential in order to plan wisely. The economic planning must begin with the co-ordination of the departments of the federal government, and must have definite inter-relationship with the provincial governments, to the benefit of all bodies of the administration. The lack of co-ordination within departments of the federal government is quite evident, especially in the ministries of Regional Economic Expansion and Manpower. These departments tend to pursue their own economic ideals independently, and often in contradiction to the policies of the Department of Finance.

No economy can be really vital without competition and, to encourage it, greater efforts must be made to protect individuals and the public interest from abusive monopolies. It is imperative that the trust of the Canadian people in their economy and in their own abilities be restored to them. They must also be assured that their government is capable of tackling the major economic problems facing the country today. This trust can only be rekindled if the government takes the people into its confidence, outlines to them its strategy and objectives, and is willing to work with every sector involved in order to reach its goals.

● (2010)

The Economic Council of Canada has warned time and time again that public expenditure and taxation trends are accelerating wage and price inflation to much higher levels than is suggested by conventional budget-impact indicators. However, the government refuses to heed the warning.

Public sector growth adds to inflation, but what has the government done to curb its expenditure and growth? A comparative view of the expenditures will clearly indicate how the fires of inflation have been fueled. In 1974 the federal government spent twice as much as it did in 1969, three times more than it did in 1961, and 12 times more than it spent in 1950. If expenditures continue to increase at the rate which they did from 1973 to 1974, they will double in less than three years. This adds up to a daily spending of $78.8 million, an hourly spending of $3.3 million, and $54,000 every 60 seconds.

Almost half of this vast amount of money that the federal government spends comes directly from personal income taxes. The rate which Canadians are now paying has increased by a staggering 13 per cent in just seven years.

Total government spending for last year will be around $33 billion; almost 40 per cent of the gross national product. The question is, can the country afford this kind of extravagance at the present time? Considering the economic problems we face, I do not believe that we can.

Of this spending, approximately one half cannot be touched by parliament as it is in the form of statutory estimates which can be examined, but not reduced, by the House of Commons. Members of parliament, when asked to approve the estimates, do not receive government proposals in the form of meaningful programs in which objectives are outlined and justified on the basis of factual data. Because of rule changes in 1968-69, the estimates cannot be debated in detail but must be passed by a definite fixed date. These rule changes effectively curtailed the ability of parliament to hold effective reins on supply.

The result is that members of parliament must now spend long hours just trying to understand the format of the Blue Book estimates. Increasingly, moneys are concealed in the estimates and hidden in votes. The designation of votes which are hidden because of alleged security reasons is being used more and more often.

In the six short years of the reign of the Prime Minister (Mr. Trudeau), from 1968 to 1974, the numbers on the federal payroll increased by a staggering 27 per cent, a record rate of growth in the history of Canada. The government most certainly does need a watchdog. Let us check, too, just what the national position is today in regard to federal civil servants.

In 1946, just after the war, there were 31,088 permanent federal civil servants to minister to a population of 12,500,000, or 403 people per government employee. The cost in salaries annually was $66,440,000, or $5.30 per Canadian. In December of 1973, 27 years later, the number of federal civil servants had risen to 254,610, a ratio of one civil servant for 87 Canadians, and the cost had risen to the astronomical height of $2,557 million. That works out to a $115 tag for administration services for each of us.

This does not include the additional employees, numbering some 143,600, in Crown agencies such as the Canadian National Railway and Air Canada.

Neither do these figures include a temporary staff of 35,400. Regardless of its alleged philosophy to the contrary, it is abundantly clear that the Liberal party is involving the government more and more in practically every aspect of the lives of Canadians; nor is there the slightest shred of evidence that would indicate that it intends to reduce this involvement.

What this means is that at the rate of civil service growth which we have experienced over the past, in another 27 years, under Liberal guidance, by the year 2000 there will be 2,820,700 civil servants burrowing into every facet of our lives, while it will be costing us $2,645 each for this service.

The most flagrant example of this in government ranks can be seen in the office of the Prime Minister himself. Indeed, in the years up to 1974, the total number of staff, personal assistants and advisers, has risen to 100 odd. Why then does the Prime Minister need a cabinet? The answer, of course, is that he does not. In effect then, we have a similar system to that of a president of the United States with all its abuses, but without the check of a congressional system. And our Minister of Finance (Mr. Macdonald) stated that growth in government expenditure should be restrained.

Agriculture is a department which can very well illustrate the escalation of the numbers game. In 1946 there were 1,800 full-time employees of that department, which meant that the ratio was one federal employee to administer to the needs and requests of every 104 farmers. By 1973 that ratio had narrowed to one staff member per 24 farmers. At this rate, by the year 1984, there will be more bureaucrats in the agricultural field than there will be farmers.

With this vast body of employees engaged in the welfare of the farmer, who foresaw and planned for the drastic state that the industry is in now? Who worried then, and who is worrying now about the financial losses and anxiety that the farmer is enduring today? Agriculture cannot be viewed as a number of separate entities. It is a complete package, but a package with many components. The beef industry cannot be separated from the grain industry as each is woven into that of the other. A sound policy for administering the needs of the one must take into account the requirements of the other for the betterment of the whole.

Agriculture is not one of our more important industries; it is the most important. This fact was ably pointed out by the member for Battle River (Mr. Malone) in the House a short time ago, but as our most important industry, agriculture is not getting the priority it merits. Why are the farmers not more actively involved in working out improvements in their own industry? Rather than increase and improve some of the agricultural products in our country, the government has actually tried to restrict their production. As the welfare of agriculture depends on the efficient movement of grain, animals, and machinery, it is imperative that a viable transportation policy be developed.

Let us now examine just what the government has done to assist small business in this country. At the present time small Canadian businesses are caught in a cost-price squeeze. The Canadian Federation of Independent Businessmen has found that the small businessman is having to pay higher costs for his goods, and is forced into selling them at a higher price. In spite of this higher selling price and an increase in volume sales, only about one third of the businessmen have experienced higher profits.

As small business generates more employment, more real growth, and more tax revenue than does big business in Canada, it is time that the government realized that a comprehensive policy must include measures to stimulate small-business activity.

The massive amounts of money that are spent today on the unemployment insurance program are something that bears careful scrutiny also. An inquiry into its operation is definitely necessary—a public inquiry, not a witch-hunt, to get at the root problems of this debacle. Practical, sound solutions must be found to the fundamental questions which are arising from the mismanagement of the Unemployment Insurance Commission. Disincentives to work are built into the act and something must be done to eradicate them. It is most important to make a distinction between an insurance program and a welfare plan in which the contritutions are merely another form of taxation.

This multi-billion dollar program should be looked at with a view to the overall social policies of all departments, and co-ordinated with them. The prime consideration must be the most efficient means possible of assisting persons finding themselves jobless, the ways of supporting them most adequately with the co-operation of all agencies involved, and of getting them back into the work force as quickly as possible.

It is becoming increasingly clear to a great many Canadians that a higher priority must be given to the quality of life in our country. Although it is essential for our social well-being that Canada enjoys sufficient economic growth to meet the needs of her people, we must be liberated from the "bigger is better" complex. Bigger is not necessarily better; otherwise why has Canada so many social problems after a generation of material prosperity?

● (2020)

Why are there five million Canadians living below the poverty level? Why have the numbers of crimes of violence increased so drastically? Why do so many people have to resort to alcohol and drugs for escape from reality? Why do they find it necessary to flee from the reality of living in one of the most richly-bestowed and beautiful countries in the world? Our values and opportunities must be emphasized to give greater meaning to life in Canada.

Government policies must reflect the realization that the worth of each Canadian cannot be counted simply in terms of input into the economic system. If, in the past, cities had to give priority to the hardware of municipal services they should now begin to emphasize those which will enable people to fulfil their potential. Our primary task should be to demand policies based on that premise, policies which will enable Canadians to lead lives of dignity, with meaning and responsibility. From infancy to old age, each person should have the opportunity to enjoy the fullness of life. We must hold the belief strongly that there is a need for a system of social justice that maximizes every Canadian's sense of individual initiative and enterprise.

Attention must be given to social development which has for too long been neglected, and it should begin with a clearer understanding of what a truly human and spiritual existence can be. Past indifference to this quality has brought us to the present situation where our populace is beseiged by ills of the spirit. We must realize that humanistic and spiritual considerations must become vitally important ones.

Government cannot legislate a meaningful lifestyle, but it can undertake programs designed to foster it. There is an urgent and compelling need to bring order out of the chaos of overlapping and cumbersome programs.

Policies involving senior citizens should be revised in order that they may experience a greater fullness of life. One never outgrows the need to believe in one's self-worth, but the trend in our society has been to demean the aging. Many older people sense that they are losing their identity as persons, and a physical approach to their condition is not enough. More positive efforts are required to help the senior citizen preserve his independent indentity.

Social justice must not be mistaken for socialism or for welfarism, because they are altogether different, Mr. Speaker. Let us not think that the socialists have a corner on compassion. Indeed, the one thing I have noticed about them is that their compassion bears a marked relationship to their distance from an object and its source of funds and aid. They have great enthusiasm for public money going to foreign countries and for wonderful projects such as Petro-Can, but they have somewhat less enthusiasm for private money going to individual Canadians. They are great at giving out money as long as it is the public's money, but we dare not touch their pockets. My complaint is that those feelings of compassion have been smothered by years of state expansion until Canadians expect the state to do everything, because now it has gotten into everything. We must have a policy which is based on returning the state to its proper function of serving the individual, and not the other way around.

A socialist is one who thinks he knows all the answers. In fact he thinks that he knows what is best for an individual, even better than the individual himself. He strives for complete government domination of the economy and believes that the government should own, or at least control, all productive capital. "Public ownership" he calls it, or "belonging to the people". These are very slick phrases, Mr. Speaker, but let us ask the socialists: do we own Air Canada or the Post Office? Of course we don't. Nobody owns these institutions unless it is cabinet ministers and their bureaucrats who control the money—money which comes from you and me, the taxpayers. It is true welfarism has an immense political advantage and is the best cover-up for basic injustice. It has a built-in defence against criticism. But let us remember a statement made by Lenin.

The Acting Speaker (Mr. Turner (London East)): I regret to interrupt the hon. member but his time has expired. He may, however, continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Elzinga: I thank hon. members for giving me an opportunity to continue.

Let us remember a statement of Lenin's. He said that the way to destroy the middle class was to crush it between the grindstones of taxation and inflation. And that is just what the government is doing. The inadequacies of many of the proposals put forward by the government make me more and more aware each day that it does not have any positive solutions or policies to solve the problems of this country. Too many of the government's decisions reflect a strong tendency to put that which is expedient ahead of that which is basically sound from the long term point of view. It is time there was restoration of ideals and principles to their rightful place in our national politics.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. member for Richmond (Mr. Beaudoin) has given us again the opportunity to deal with two economic issues which are a grave concern for Canada and the entire world, that is inflation and unemployment.

I would like to take this opportunity to make a few comments on both problems, especially on unemployment

and then more particularly on a few aspects of the anti-inflation program introduced in the House of Commons eight weeks ago. Those two problems are important, not only for Canada but for the entire world. I noted it in the motion of my colleague, the hon. member for Richmond. It is quite important in assessing the responses of the Canadian government to compare them with the responses of other governments and to consider also the conditions in other countries in comparison with the progress made in Canada.

[*English*]

As I was saying, the two questions of unemployment and inflation are questions which are of grave concern not only to us in Canada but to the broader world. The response to the hon. member's motion, as indeed the response to these problems, must therefore be measured against a wider backdrop. The motion put forward by the hon. member does provide an opportunity, on a day when we have seen the result of the Statistics Canada "Survey of Employment in Canada," to make some observations on the subject of unemployment and the difficulties we have been facing with a high unemployment rate, one at almost the same level on a seasonally adjusted basis since the spring of this year.

There is little in the statistics we saw today which could give anyone much satisfaction. Those who read the rules of economic prediction and from time to time seek to analyze the figures and draw conclusions about a trend, find, curiously, some support for the conclusion that the strengthening of the level of employment of males in the work force and females over the age of 25 indicates a strongly positive cyclical factor and may justify the prediction of a strong recovery within the Canadian economy in the quarters to come. Nevertheless, we cannot do any more at the present time than draw some hope from the figures. There is no ground for satisfaction.

● (2030)

One of the difficult questions of policy making with which we have been faced in this country is how to deal with two economic problems at the same time. One of the difficulties about proposing solutions is that one should not, on the one hand, undertake public expenditures which, while they might have a significant effect in terms of reducing unemployment, also run the risk on the other side of substantially increasing the rate of inflation in Canada. I suppose that the best sources one can look to in this regard are those in the Canadian business community who, from time to time, have to make decisions on the basis of government policy, so as to see the kind of conclusions they have drawn as to the extent to which we have arrived at some kind of balance.

Let me refer to the 1975 fall issue of Canada's *Business Climate*, issued by the Toronto-Dominion Bank, which put it in this way:

> In spite of the serious reversals in housebuilding activity and the external trade balance, Canada's recession was shorter and milder than elsewhere in the industrialized world. Among the factors contributing to this was the sustained strength of business investment and, even more important, the federal government's swift move to an expansionary policy of tax cuts early in the recession. The speedy response helped prevent a serious erosion in consumer confidence and enabled the volume of consumer spending to continue to increase for 1975 as a whole.

One is faced, in reading the conclusions both of the academic economists and those writing for the business community, with an ambivalence that occurs at all times. For example, Professors Wilson and Jump of the University of Toronto's Institute for Policy Analysis expressed regret at the June budget, having the feeling that it would have a contractionary effect on economic growth. They added that the contractionary impact of the budget on consumer spending would be magnified if the announced policy of expenditure restraint were put into effect this year.

So there you have it, Mr. Speaker. Side by side, or one after the other, you have the comments of the Toronto-Dominion Bank to the effect that the policies of my predecessor in budget making were of considerable benefit in cushioning the effects in Canada of the very much more serious recession that was felt in other parts of the world; and you have the concern, on the other hand, that the budget had not gone far enough.

Turning to another banker-economist, John D. Parish, senior assistant economist with the Bank of Montreal who warned in mid-September that heavy-handed policy actions aimed at fighting inflation by restricting the economy would mean a renewed period of recession before mid-1976. There is a third, qualified opinion indicating that our most serious concern is that expenditures in Canada should not be cut down at too great a rate lest there be the risk of increasing the level of unemployment in Canada.

This is a comment that should be set alongside that of the 17 economists led by Messrs. Crispo and Hartle, who have directed themselves to the question of inflation only, turning a blind eye to the fact that the kind of policies which they advocate may indeed be very successful in dealing with inflation in a harsh way but bring with them the very substantial risk that the rate of unemployment in Canada will be increased.

Going back to the first of my quotations, I would say to Messrs. Crispo and Hartle that they should consult their colleagues who are professional economists, and see if they can get together and form some collective opinion that will perhaps offer some more balanced solutions to the economic problems facing us at this particular time.

The second of the questions which the hon. member has raised in his motion concerns inflation. I suppose there has been no question that has absorbed more hours of parliamentary time since we resumed on October 14 than inflation, from the first day's discussion in general terms of the government's proposals to meet inflation, and then the specific terms of Bill C-73. I am not going to go over once again the broad terms of the program or the details of the bill, but in response to that part of the hon. member's motion which relates to whether or not there is perceived to be foresight or leadership in the program may I refer this time not to professional economists but to the Canadian people themselves. Let me put on the record the reaction of Canadians obtained in recent weeks by various surveys, one by the CBC and Radio-Canada, and another by the Gallup poll.

In the survey conducted for CBC News between November 25 and December 2, 61 per cent of Canadians, or nearly

two thirds, declared themselves to be in favour of the federal prices and incomes program. The degree of support, of course, varies from region to region. Three out of four Canadians in British Columbia and the four Atlantic provinces favour the government's approach; the other regions were less enthusiastic in their support. But the survey shows on a national basis that, of those Canadians who expressed an opinion on the program, two out of every three favoured the government's attack on rising living costs.

The survey also revealed some interesting reactions regarding the public's perception of the single most important factor that has contributed to inflation in Canada. For example, 28 per cent of those surveyed felt that wage demands were the most important factor behind inflation; 24 per cent said that world wide economic conditions, including rising energy costs, were a major reason. Some 13 per cent felt inflation was due to expenditure by various levels of government, and only 10 per cent felt that profits were responsible.

Some rather interesting contrasts were provided in response to a series of questions having to do with expectations for the program. For example, 84 per cent of all Canadians agree that, to quote the question, "for the sake of the country as a whole, all Canadians should try to make the government's wage and price controls work". An even greater number, 86 per cent, said that they would personally accept controls and try to make them work. At the same time a lesser number, about one half, or 47 per cent, said they thought not enough Canadians would support the controls to make them work. I think those are revealing statistics indicating that while there is a great will on the part of a substantial number of Canadians to accept controls there is the feeling that their neighbours, others in the community, will not co-operate. Indeed it was because of the feelings that were revealed that my colleagues, after the course of the consensus operation last spring, came forward with this particular program.

Mr. Stanfield: So that is the reason, is it?

Mr. Macdonald (Rosedale): The poll showing 61 per cent in favour of the program is matched by the Gallup poll, which found 62 per cent in support. The French network survey conducted with *La Presse* found 56 per cent support. I hear the Leader of the Opposition (Mr. Stanfield) laughing. I suppose one can only expect at this point in time that when he changes his position to being against controls the majority of Canadians will be in favour of them.

One of the interesting questions has been the extent to which the controls might be extended under the provisions of Bill C-73 which has passed the House. There have been extensive representations during the period of time that the white paper and the bill were before the public indicating that particular groups in the economy should, for reasons of strategic importance, be included within the controls program. The government's concern has been that the controls should be selective, that they should not be the kind of comprehensive controls on all aspects of the economy that have been proposed by others. It is our concern that these controls should be selective in an attempt to control the principal sectors which, without that kind of control, could have the most adverse effect on the community.

● (2040)

We would conclude, however, that the governor in council should under Bill C-73, upon receiving Royal Assent, direct the Anti-Inflation Board to consider the situation in the following industries: the trucking industry; the construction industry, and here we are considering, of course, firms with less than 20 employees; the shipping industry on the west coast of Canada, the Great Lakes and the St. Lawrence; the longshoring industry; and the grain handling industry, with a view to recommending whether, in what manner, and to what extent designations should be made under 12(2) of Bill C-73 so as, for example, to cover present collective bargaining in these particular industries.

If the Anti-Inflation Board makes a positive recommendation in respect of any or all of the foregoing industries, and if the governor in council decides to designate some or all of these industries, the designation will take effect as of today and the designation will be applicable to both prices and compensation.

We are now engaged in this anti-inflation program, having moved to the end of the first phase, namely, seeking parliamentary support, and I would hope the bill will receive the support of the Senate within a matter of some days, and then we can have Royal Assent. At that point we will be able to move into the stage at which the Anti-Inflation Board and the administrator would be able to carry out the wishes of parliament as indicated in the bill.

I think we can at this time take some lessons from the reaction shown by the polls, namely, that there is a very substantial degree of support for this kind of program from the Canadian people. With the mobilization of this kind of support I think it is important not just for the government but, indeed, for all parties to lend their support in this effort to overcome inflation in Canada.

There may, indeed, be criticism of individual parts of the program, and there may, indeed, be criticism of the manner in which either the government or those appointed under the program may carry it out, but I think the ultimate truth, which I hope all will accept, is that none of us in this House or in the country stands to gain by continuing inflation. It is in that spirit that I hope we can arrive at an early reduction in the rate of inflation in Canada, and arrive at that point, which indeed I am sure is hoped for by all quarters in the House, where it ceases to be one of the major economic problems disturbing us in Canada.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I listened attentively to the Minister of Finance (Mr. Macdonald) who took advantage of the opportunity he had tonight to reiterate all the hopes he puts in his anti-inflation bill. I for one wish that these hopes have lasted since the government presented its bill a month ago. However, I am sure they will disappear, alas too soon, whereas inflation will continue to increase.

Tonight I do not want to deal with various problems in particular, and thus demonstrate that there is only one sector of our economy that is ill. We could talk, for instance, about the economic conditions in the shoe-making industry, particularly in my region of the Eastern Townships where more than 75 per cent of the shoe manufacturers are now forced to close their doors. Every day, people with 30 or 40 years of experience must be laid off because manufactures in Acton Vale, Granby or in my region must close or lay off 75 or 80 per cent of their staff.

We could give the same figures for the furniture industry. In the textile industry, the situation is the same. We could also quote figures on unemployment in our area, as well as in the maritime provinces and elsewhere in Canada where the situation is almost identical.

Mr. Speaker, this evening I should like once again to bring up a matter in which we, Social Crediters, see the cause, if not the cornerstone, of economic unrest in Canada. I mean the financial situation in which Canada finds itself today. Before going any further with my remarks I should like to say that even before the Social Crediters sat in this House, there were people who said exactly the same things which we have said since 1935 or 1936 when we first came to this House. On the other hand, the famous words of illustrious people are still timely today because nothing was done about the recommendations they made throughout the history of Canada or that of the countries around us. For instance, in 1930, the most eminent Prime Minister England has ever known said something which could well be repeated again today in 1975. Sir Winston Churchill, in his Romanes lecture "Parliamentiary Government and the Economic Problem" delivered at Oxford in 1930, said this, and I quote:

[*English*]

Who would have thought that it would be easier to produce by toil and skill all the most necessary or desirable commodities than it is to find consumers for them? Who would have thought that cheap and abundant supplies of all the basic commodities would find the science and civilisation of the world unable to utilise them? Have all our triumphs of research and organisation bequeathed us only a new punishment the curse of plenty? Are we really to believe that no better adjustment can be made between supply and demand? Yet the fact remains that every attempt has failed. Many various attempts have been made, from the extremes of communism in Russia to the extremes of capitalism in the United States. They include every form of fiscal policy and currency policy. But all have failed, and we have advanced little further in this quest than in barbaric times. Surely it is this mysterious crack and fissure at the basis of all our arrangements and apparatus upon which the keenest minds throughout the world should be concentrated. Lasting fame and great advantage would attend the nation which first secured the prize.

[*Translation*]

A former British Prime Minister said that all attempts had failed because there were tax reforms but no in-depth economic reforms.

Mr. Speaker, I would like to give some figures which speak for themselves: In February 1941, the U.S. debt was $65 billion. Because of the war, on March 28 of the same year, the debt jumped to $125 billion. And because the debt had increased so much over one month as a result of the war, a meeting was held with the leading U.S. businessmen and financiers. Here is what the financiers said to businessmen about war.

● (2050)

[*English*]

The bankers said to them through the soft-voiced High Priest of Banking, Bernard Baruch, "To hell with the cost. We are in clover again. We are in war. Jobs will multiply. Money will triple. Sirs, the sky will be the limit. We will build unneeded plants, remote from raw materials. The most costly way will be most pleasing to us. We will spend $15 million on a magnesium plant in the village of Austin, Texas, which will never turn a wheel; a $60 million iron furnace in the potato fields of East Texas, and its furnace shall never glow. We will hire all the crack-pots we can find to think up crazy schemes to waste money.

[*Translation*]

American or international bankers were then talking to American businessmen and politicians.

[*English*]

Go, go out to spend, pad your expense accounts, never forgetting the cost plus formula. And they raised the war debt to $300 billion.

[*Translation*]

Mr. Speaker, within a few months, following the wise advice of this grand priest of international financiers, the late Bernard Baruch who died a few years ago, the American debt went from $65 billion to $300 billion at the end of the war. Between February and March 1941, the debt soared from $65 billion to $125 billion. During the war, there was no problem.

[*English*]

According to Professor Rautenstrauch, Professor of Industrial Engineering at Columbia University, world debt increased by 47 per cent during the 17th century; during the 18th century by 466 per cent; during the 19th century by 12,000 per cent, and today is increasing at a still more rapid rate.

In the case of Canada ... from Confederation up to January 31st, 1936, the interest paid on this national debt amounted to $2,823,245,405—almost as much as the principal.

[*Translation*]

Now, Mr. Speaker, in 1975 we in Canada paid $5 billion more in interest on loans than the total of the present debt.

This means that if Canada had financed its federal bonds through the Bank of Canada, we would not have any debt and would now be left with a surplus of $5 billion.

Here is another quotation from a banker, the chairman of the Bank of England in 1920, then the second richest man in the whole British Empire. His name was Sir Josiah Stamp, which is neither an English nor a French name.

[*English*]

"Banking was conceived in iniquity and born in sin ... The bankers own the earth. Take it away from them, but leave them the power to create money and control credit, and with a flick of the pen they will create enough money to buy it back again. Take this power away from them, and all great fortunes like mine would disappear. They ought to disappear. This would give us a better and a happier world to live in. BUT, if you want to continue the slaves of bankers, and pay the cost of your own slavery, then let them continue to create money and control credit ... However, so long as governments will legalize such things, a man is foolish not to be a banker".

[*Translation*]

This is a statement by the chairman of the Bank of England in 1920. Moreover, during a hearing before the American Congress in February 1943, he said:

[*English*]

Cong. Wright Patman asked Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System,

"... The U.S. Bonds ($20,000,000,000) the banks hold today—they *created* the money to buy those bonds, did they not?" And Mr. Eccles replied, "The banking system as a whole *creates* the (bank) *deposits* as (at the time) they make loans and investments, whether they buy Government bonds, or whether they buy utility bonds, or whether they make farmers' loans."

Lord Inchcape had the following to say:

A State may be made low just as effectively by wrong ideas as by an invading army. There is no agent of destruction known to chemists that is half as formidable as the T.N.T. of bad economics.

[*Translation*]

When I hear the Minister of Finance (Mr. Macdonald) refer to scholarly and influential economists, he should read what Lord Inchcape thought about the TNT, the wrong economic theories of present economists.

[*English*]

"When it is remembered that kings and governments have, throughout the ages, insisted with jealous care on their prerogative of issuing money and controlling currency within their jurisdiction, it is somewhat strange to find modern States accepting as axiomatic a limitation of their sovereignty in the sphere of money, so farreaching in its effects on their powers and on the daily lives of their citizens, as is involved in their agreeing to conform in all circumstances to a standard of value over which they have no control." —Sir Basil Blackett, Director of the Bank of England.

"I have two great enemies; the Southern Army in front of me and the financial institutions in the rear. Of the two, the one in the rear is my greatest foe." —Abraham Lincoln.

[*Translation*]

And, Mr. Speaker, I hope I will have enough time to get those many quotations on the record. I will get back to that in a few moments, but now I would like to refer to a book dealing with political economy. Some members believe that the members of the Social Credit party or the supporters of the Social Credit are certainly taking their stand on erroneous theories. I have here the manual of political economy used at Carleton University in Ottawa to teach students attending this university.

The authors of this book are three economists named Lipsey, Sparks and Steiner. It is not a book which was used in 1900, but it is still in use in 1975. Here is what is found in Chapter 36, page 611 of this book:

And it is comforting to note that everything suggested by the Social Crediters in the House concerning the creation of credit is fully confirmed by these three economists, and I would like to ask my hon. colleagues of this House to refer to this book so as to learn something about economics and politics. I would like the Minister of Finance (Mr. Macdonald) to do the same. For instance, as is stated on page 612, these economists say about the nine Canadian banks that the Royal Bank of Canada has assets of $12,959 million, the Canadian Imperial Bank of Commerce $11,400 million, the Bank of Montreal $10,165 million, the Bank of Nova Scotia $7.85 million, the Toronto-Dominion Bank $6,549 million, the Bank Canadian National $2,281 million, the Provincial Bank of Canada $1,416 million, the Mercantile Bank $288 million, the Bank of British Columbia $178 million. It all adds up to assets of $53 billion for nine banks, which means that over an average of 50 years, these

[Mr. Rondeau.]

Canadian banks, with a subscribed capital of something less than $10 million, have multiplied their sssets by 7,500. The nine Canadian banks have transformed deposits into an asset which means that with the $10 million invested, they now have more than $75 billion in 1975, and $53 billion when these figures were given by the economists.

Mr. Speaker, it is interesting to note that the banks have boosted their assets to $75 billion from a beginning of $10 million, and this figure of $75 million represents the whole national debt including the bonds of the federal government, the bonds of provincial governments, municipal bonds, school bonds and individual bonds. All these are part of the banking assets, and because of our outdated monetary policy, we print bonds, we mortgage the assets of our country and sell them to the banks which pay us with cheques drawn on the credits created by themselves from nothing, and these credits created from nothing are written off as debts due by the various government or public institutions of the country. We always have to pay taxes towards the interests on these debts which are due to the sacred financial institutions every 10 years under the renewal of the charter of banks by the federal government, which has created the greatest of all Canadian monopolies, the monopoly of bank credit, which is the absolute and unchallenged master of all other monopolies. I would like to refer to page 614 of *Political Economy* under the title "The Creation and the Destruction of Money". When the Prime Minister told us today that he must borrow money at a rate of 9¼ per cent, from whom does he borrow this money? He borrows it from banking institutions. Economists are now admitting what we have always said:

● (2100)

[*English*]

The ability of the banking system to create money is based on the fact that at any moment of time most of the banks' depositors do not require their deposits to be redeemed in currency. Just as the goldsmiths discovered that only a fraction of the gold they held was demanded, and just as banks discovered that only a fraction of convertible bank notes were actually converted, so too many banks have discovered that only a fraction of their deposits would be withdrawn in currency at any one time. Most of the deposits stay within the banking system. Even if I withdraw $3,000 to buy a new car, the chances are great that the car dealer will deposit my cheque in his account, and the banking system as a whole will have merely transferred deposits from one depositor to another. Here lies the secret of the mystery and the magic of the banks' ability to create money while they make money.

[*Translation*]

Mr. Speaker, it is that racket, that legalized racket that Social Crediters denounce. They want the Bank of Canada to create credit out of the Canadian wealth and when the federal government issues obligations, it is the Bank of Canada which should grant interest free loans on these obligations to the federal government. And that is the biggest rip-off, the biggest legalized racket. When there is talk of monopolies in this House, only small monopolies come under fire. But the monopoly of credit which is the master of all monopolies goes untouched, and it is that monopoly, Mr. Speaker, that we Social Crediters want to touch. I would have a lot of other very interesting papers to quote from those economists.

[*English*]

The banking system in Canada consists of nine chartered banks. The five largest account for 92 per cent of total bank assets and each of them has more than 700 branches.

The chartered banks are profit-seeking institutions that allow their customers to transfer deposits from one bank to another by means of cheques. They create and destroy money as a by-product of their operations—by making or liquidating loans and various other kinds of investments.

[*Translation*]

Mr. Speaker, at page 627, one can read the following:

[*English*]

When the Bank of Canada buys a $100 bond directly from a chartered bank, there is no change in the assets or liabilities of households, but chartered banks still gain a new deposit of $100. They can now engage in a multiple expansion of deposit money.

Some hon. Members: Order, order!

[*Translation*]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him is now expired.

Mr. Rondeau: Mr. Speaker, I would like to enjoy the same kindness as my—

Mr. Deputy Speaker: The hon. member may continue his speech if he gets the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There does not seem to be unanimous consent. Consequently, I must give the floor to another member. The hon. member for Timiskaming (Mr. Peters).

[*English*]

There is not unanimous consent.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I want to congratulate the hon. member for Richmond (Mr. Beaudoin) for introducing this motion and for the subject matter, and to console the Minister of Finance (Mr. Macdonald) on his feeble attempt to reply to what is a major problem in this nation.

Over a period of time the Liberals have indicated that they believe in establishing a fair and just society. We heard the minister in reply to this motion indicate that at best there was going to be rough justice, and he ended up making an appeal for the support of all hon. members and the support of the country for the anti-inflation legislation, knowing full well that that legislation will neither be fair nor just. A large number of people in this nation will be dealt with in an inequitable way. The anti-inflation program is unfair to the elderly, to the disabled, the needy and the young people of this nation. In making his reply the minister did not really say very much about a fair and just society.

The motion indicates that unemployment is one of the major problems with which we are faced today, and there have been a number of suggestions made as to how we will solve the problem and have full employment. The anti-inflation legislation introduced previously to cool the inflationary trend created unemployment, and this piece of legislation has done nothing to allay the fears of the average Canadian. Today it was indicated that unemployment has again risen. This trend has been continuous since the government took over in this country and, in my opinion, as long as this legislation is in force the trend will continue.

I asked a question today in the House regarding the problem faced by the pulp and paper industry. I suppose that many people do not know much about the paper industry, but it is one of our largest exports. In terms of labour, pulp and paper mills are under provincial jurisdiction, but there is a strike at Abitibi, in northern Ontario and northern Quebec which started back in July. It has not been settled; no meaningful negotiations are taking place; and the last negotiations were forced on Abitibi, by the Ontario government. When those meetings were held with the employers, the answer was that the formula of the anti-inflation guidelines, 10 per cent the first year, 8 per cent the second year and 6 per cent the third year, would be the basis of settlement. I am quite sure negotiations would have produced better than that early in the year, and certainly before going on strike if there had been good faith on the part of the industry.

● (2110)

There was a slump in the industry, assisted to some extent by the economic climate in the country and the fact that paper prices had gone up. In fact since 1972 the price of newsprint has gone up by 52 per cent, and processed bleached craft paper has gone up by 111 per cent between 1972 and 1975. The economic climate in this country created a situation where the pulp and paper industry has not had to deal with its employees. The government has provided the companies with the kind of loans that will permit them to ignore the plight of the communities in their areas. Most of those communities have only the one industry and are entirely dependent on it for their existence. They are in desperate straits, Mr. Speaker.

In northern Ontario 11 communities are seeking an injunction against the pulp and paper industry so that work can resume. The communities are financially bankrupt and their welfare load is impossible. I am surprised that this House is not giving some attention to this particular strike. The union concerned is a Canadian union which broke away from its international connections several years ago, and it now finds itself without money or support for its members. This is a strike which individuals are having to carry at great expense.

This is only one situation that has developed, Mr. Speaker. In large part the fact there is unemployment affects our ability to operate our educational system in a way that would train people for the jobs that are available. It is all right to bring people in from all over the world, but it hardly makes sense to bring in people who have to be provided with assistance if they do not find work when many of our own young people are unemployed. A few days ago I heard an employer complain that our young people will not work. I think this is true, Mr. Speaker, but I think we share the responsibility. We have either provided them with the wrong type of education or we are not providing them with training in the fields that will enable them to fill the available jobs.

It is true that many of the people receiving unemployment insurance benefits are not employable in the sense that they have a choice of employment. They are young

people who have worked only for a short period and do not have any experience. Because of this it is almost impossible for them to find jobs, and so they travel across the country becoming more and more disillusioned with the work ethic and our ability to provide employment.

It is interesting too that the Minister of Finance is not deriving any benefit from these young people. When we have this amount of unemployment, whether it be due to strikes or sickness, or any other reason, when people do not go to work, when we maintain a pool of 6 per cent unemployment, or 7 per cent or higher in certain areas, then I say we are not providing the type of leadership that is required to reduce the unemployment factor to a low level.

Members of the Social Credit party mentioned some of the other problems today. I think many of them go back to the financial institutions. While I am not an expert, I believe that we have too many banks in Canada. When banks make the highest profit of the corporate elite in our country then there is something wrong. Banking and finance should supply a service and should not be the greatest money-making business in the country.

Some hon. Members: Hear, hear!

Mr. Peters: There is always the argument that we should have more banks, and I understand that there are two more applications before us for charters. We have 11 banks already and have gone so far as to give the co-operative movement a bank. We have given British Columbia a bank, and we gave the Mafia a bank. Look at the Mafia bank, Mr. Speaker. I believed it would make a lot of money and it started out that way, but the shares have dropped from $17 to $3 and something. I believe they just changed leadership the other day. Even laundering money does not seem to be as easy to operate as numbered accounts in another country. We are not doing anything for ourselves in creating other banks.

An hon. Member: Are you on the board of directors of that bank?

Mr. Peters: No I am not, Mr. Speaker. I feel about our banks in Canada a little bit the way the founder of Christianity felt about the moneylenders in the temple. They are just about as repulsive as the moneylenders in days gone by, as far as I am concerned.

It seems to me the time has come to nationalize our banks. Let us not have the Liberals act so high and mighty about whether they can support this motion. Certainly they can. Through the Bank of Canada which it directly controls, the government made 15 per cent new money last year. All it does is add to our debt, but nobody gets upset about it any more. In the time that I have been here we have only once taken money out of circulation to pay something off the national debt. If we made the Bank of Canada the national bank, and made the other banks operate in the way they are supposed to, and not on the basis of creating new money by deposits—

Some hon. Members: Hear, hear!

Mr. Peters: —if we were to lend the bank that money then we would be able to lend money to develop housing in this country. We would not give DREE grants to corporations without equity; we would give them that money and take equity, and if they wanted to buy the equity back they would have to pay for it and we would again get rid of the money in other investment. Mr. Speaker, we are manufacturing money today. Last year the Liberal party were Social Crediters and created 15 per cent new money by turning on the printing press. The Minister of Finance can verify that. In some cases their ideas are even worse than those of Major Douglas, because I do not think they relate to a numbering system so that they can get it back.

Some hon. Members: Hear, hear!

Mr. Peters: We are allowing money to be lent for housing, which is social capital. Few people, I think, take their houses with them when they leave this world. People leave their houses to their children and grandchildren. As most houses are built to last between 60 and 80 years at least, they are clearly part of our national capital. I see no reason why money should not be lent at interest rates just large enough to cover administration charges, because after all such money increases our national capital. I see no reason for lending to people who will merely speculate.

• (2120)

In Canada owning a house is one way of saving. You put your money into a house and hope that it appreciates with the rate of inflation. The psychology of the Canadian public is strange. People on the street were asked what they would do if they won $1 million in the Olympic lottery, most said they would take a trip, finish paying for their house, perhaps buy a new car, and put the rest of the money in the bank. Of 20 people interviewed in Sudbury, everyone said he would put the bulk of the money in the bank. That is how Canadians are. When they buy a house, they consider it the same as putting money in the bank.

Financial institutions have a part to play in developing this nation's economy, and they should work for the benefit of our people. Money, after all, is but a means of exchange. We manufacture it from paper, cannot eat it, do not like its smell; it does not last long, is not fireproof, water resistant or durable. Basically money is but a piece of paper we use for exchange. When we allow banks to lend eight or ten times the amount on deposit, we allow them to create money. They do this for their own benefit, not that of the country. What happens when any multinational corporation operating in this country, or any large business in this country, runs into difficulty? Really, in this regard the comment made a few minutes ago by the hon. member who quoted Lenin is pertinent. The money to help these corporations comes from our banks.

I suggest that hon. members would be well advised to eliminate present day abuses of our banking system and direct their attention to the provision of full employment. We should provide the Canadian public with the money necessary for doing what must be done. This would be better than merely creating money and adding it to our national debt.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, the motion before us poses two questions. First, why are we in our present situation, and on a course directly opposite to that of our great neighbour to the south and almost every industrialized western nation?

Second, how can we best meet the social and economic challenges confronting Canadians?

The motion was moved in the House today because there is a widespread feeling that the Government of Canada has mismanaged its responsibilities. The Prime Minister (Mr. Trudeau) knew he was not telling the truth six months ago. He deceived the Canadian people in the last election, not unwittingly. No wonder Canadians now suspect anything the Prime Minister says or does.

The government now has difficulty telling the difference between the underdog and the underworld. Canadians face two great challenges, one being the economic challenge presently being debated in the House; the other, equally serious, the political and moral challenge facing this country. This is perhaps even more serious, because economic problems never start with economics. Their roots lie deeper in human nature and politics. They do not end with economics either.

Take a good look at our nation today. There is disarray at home and abroad. Just as the Canadian people are suspicious of their Prime Minister, so our international neighbours do not trust him either. The right hon. member for Prince Albert (Mr. Diefenbaker) said that Canada has lost its soul. I am inclined to agree.

As we know, events move in cycles. Look back at the Victorian age, with its strict discipline nationally, socially, and in personal life. It was followed by the so-called naughty nineties. That cycle repeated itself after World War II. Such cycles are part of our attitudes. It takes much longer to change minds than to change laws.

As I said before, this country faces two great challenges, the economic one, and the political and moral one. We must face and master both. What are our chances of success? I suppose it will depend on the kind of people we are. At present we live in what is commonly called a permissive society, which depends for its shaky stability on the spending of capital accumulated by the discipline of the past. Our people were trained by an earlier discipline in self-reliance, self-control, and basically loyal attitudes towards the laws, and could be ruled with a light rein. The trouble is that we failed to condition the modern generation to the same standards. The Prime Minister and government have not been good teachers. The motion before the House mentions the deterioration of our social climate. I agree with what it says.

All the same I believe that the demand for respect is appearing again. The so-called student revolt at the universities has passed its peak, and students themselves are beginning to react against the minority which almost destroyed some of our universities.

The demand for law, order, and discipline is also making itself felt in penal matters. This may be the result of some horrible murders committed in Canada of late. These may make it impossible for the government to resist the demand for restoration of capital punishment. The trend of opinion is there for everybody to see. Even convinced abolitionists are coming around in their opinions. They have come to believe, for instance, that terrorism is a type of crime in which death cannot be the deterrent available only to one side. We are seeing the beginnings of a strong public reaction which must precede any general restoration of discipline in our society. Mr. Speaker, I hope it continues.

Probably the greatest single force changing and expanding the role of our federal and provincial governments has come from the push for equality. This has gone beyond the question of rights. The goal increasingly is to level goods and powers, and it has been popular to use the federal government to redistribute wealth and incomes, and equalize differences in education and background. The result is that our Federal government has become highly critical of business and has downgraded initiative and opportunity.

All agree that governments have a responsibility in providing help for the poor, the aged and unemployed. It has been accepted that different people will earn widely different incomes in our market economy. The difference seems to be that, of late, we have wanted the government to use its powers to restructure the economic system and equalize its rewards. I think the strength of this movement has been out of all proportion to the number of people who really subscribe to it. We must ask ourselves if there is a valid reason for insisting that the fast and slow, successful and unsuccessful, should all arrive at the same condition at the same time.

Recently this House passed a bill which will turn over control of this country for three years to a bunch of amateurs. In the past 30 years the bureaucrats in this country have become more mighty. The bill I spoke about will make them almost almighty. It will mean that what is law today can be changed tomorrow, and what is not law tomorrow can be made law the day after. It means the decisions that affect our lives will not be taken by the recognized institutions. They will be taken elsewhere. Some things are right and some things are wrong. This type of law is wrong.

● (2130)

We have tended to transfer the effective power over our lives from the constitutionally visible offices of the government to the vast network that is being brought into being in the name of protecting us from exploiters. It seems the very fact that government has made a start towards equality has created a demand for faster progress, and we see federal spending shifting away from the traditional federal functions, such as defence, foreign trade and so on, and toward federal programs that reduce the freedom of individuals and lessen the power of other levels of government.

We must save billions of dollars to develop Canada. There must be more incentives for Canadians to save that developing money. Unless the federal government simply prints more money, the only way it can get a dollar is by borrowing and taxation. When the government borrows, that limits the money available to private industry. And we all know that taxation directly removes it.

We now carry a great burden in Canada because we have built a monster of law and regulations that is clumsy, inefficient and inequitable and, worse still, one that appears unplanned and unco-ordinated in the response to our real needs. That monster is quite literally threatening to bring us to national insolvency and overshadowing everything. The government is spending, spending, spending far beyond the taxpayers' means.

There has to be some trade off between the move toward equality and efficiency. It is probable that the best economic solution will be the best social solution. We must have a government that clearly sets goals in that direction, goals we all understand and can work toward attaining. Our pyromaniac Prime Minister having ignited the inferno, now asks us to help dampen the fires of inflation. I do not oppose the fight against inflation, but I do oppose rules and regulations that will throttle our economy and stifle initiative.

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I want to thank the hon. member for Richmond (Mr. Beaudoin), and I want to say to members opposite that jealousy is a very destructive emotion. Anyone can tell another that he is a poor leader or can criticize a leader, when the critic himself or herself will never have to prove that he or she will ever have to lead.

Anyone can tell us what is absolutely right after the event. That is easy. But who is there in this extremely complex society who can be sure of what is absolute, or whether there is an absolutely right way to resolve the human conundrums? There are many ways to cope with human problems. No doubt there will be solutions that are partially right and partially wrong, but never absolutely right.

There has never been a time in history when our society has been more complex, more crowded, demanding, complaining, worried, and more clearly heard by the leaders of Canada today. In the past, much might have happened. There were wars and there was frustration, hatred and violence, but we did not know because it did not come into our living rooms.

Money today is the measure of success, but remarkably those who have money are greedy to take more. Nationalism is the curse of an immature segment of our society, over-impressed with their false sense of limitless wealth and super worth. These are the problems we face today. Money has become the measure of our success, and greed is the mark of those who never know when they have achieved that success. As a result we are chasing our tail in society trying to find ourselves.

It is in this atmosphere that we must have leaders, and we have them. This is a society where there is a psychic depression greater than even the economic depression. People live in fear and desperation. Worry is worse than the event itself when it happens. Even in affluence we have a large group of professional beggars, people who cry even when they are rich. Crime is so commonplace that we barely get over the tidal wave of one disaster when a new one is floating over us.

That is the kind of society in which you expect leadership. Society is getting leadership. There can be no absolute perfection because there is no absolute in human life. We all want peace. We all want prosperity. The children of the drug and bead cult cried out for peace and love. Every generation wants those two situations. They are the most difficult dreams to achieve since they both require the ultimate in unselfishness.

I could go on, but I want to talk about leadership. I would like to talk about the world we live in, but you people took too much of my time.

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

Some hon. Members: Oh, oh!

Mrs. Holt: We have a leader. You voted with us once and I thought that was magnificent. You were right, as our leader was right, because the opinion count the other night said we were right.

The court of final resort is the people. The court will be heard in due time as it was heard on that most important issue of our time, inflation. The attack on inflation was rightly timed, planned, and carried out. The people have spoken. They are the most important.

The Minister of Finance (Mr. Macdonald) is one of the leaders of whom we can be proud. The member on the side of the angels voted with us. Sixty-one per cent of Canadians favour our anti-inflation program. Only 22 per cent opposed it, probably NDP and Conservative, and 14 per cent remained silent.

Our Postmaster General (Mr. Mackasey) has done an excellent job for this country. He knows about the democratic process of collective bargaining. He knows that collective bargaining is a sacred trust.

Some hon. Members: Oh, oh!

Mrs. Holt: Come on you guys, give a girl a chance!

Some hon. Members: Hear, hear!

Mrs. Holt: The Postmaster General is a trade unionist at heart. How much more difficult for him. He knows better than you and the people at the top.

Some hon. Members: Oh, oh!

• (2140)

Mrs. Holt: They are not speaking for the rank and file of the trade unions. They are speaking for the elitists who would destroy Canada.

Some hon. Members: Hear, hear!

Mrs. Holt: I am still trying to tell you how great the Postmaster General is. He wanted a free vote for the rank and file, but members over there fought it down. It is democracy to give a free vote to the union membership. That is what I would want to see.

Now I come to our Minister of Justice (Mr. Basford). Our Minister of Justice knows what is happening in the country. What is happening in British Columbia will spread across the country. The crime rate is tremendous. The minister is listening to the people. He has brought in sound reforms. He is working on them, and his record in the past in other portfolios has been magnificent.

Some hon. Members: Hear, hear!

Mrs. Holt: Our new Minister of Energy—

Some hon. Members: Hear, hear!

An hon. Member: What about the Whip?

Mrs. Holt: Our Minister of Energy, Mines and Resources (Mr. Gillespie) has a most complex portfolio in terrible times. He doesn't want Canadians to use their energy

resources too quickly, yet they need them now. Try to resolve those two problems. Hon. members asked about our Minister of Energy. He is great.

Some hon. Members: Hear, hear!

Mrs. Holt: Our Minister of Transport (Mr. Lang) has already shown great strength in his portfolio.

Some hon. Members: Order!

Mrs. Holt: You started it. You started talking about leadership. I am giving you a roll call of leadership.

An hon. Member: What about the back bench?

Mrs. Holt: Oh, the back bench is splendid. But I am talking about the Minister of Transport. He is new on the job—

An hon. Member: What about the Whip?

Mrs. Holt: Oh, the Whip is fantastic. Look at all the people he has brought out. Where are your boys?

The Minister of Transport has already shown great strength and courage in his portfolio. His intelligence and vigour will assure solutions to difficulties involving the dredging prices and the chronic problems of our railway system, and maybe we will get equalization of freight rates in the west through him because he is a westerner.

One last quotation. Everybody has used a quotation from somebody else—

Mr. Deputy Speaker: Order!

Mrs. Holt: I just wish to put one quotation on record—

The question, "Who ought to be boss?" is like asking "Who ought to be the tenor in the quartet?" Obviously, the man who can sing tenor.

Some hon. Members: Order! Order!

[*Translation*]

Mr. Deputy Speaker: I regret to interrupt the hon. member, but it being 9.45 p.m. it is my duty, pursuant to section 10 of Standing Order 58, to interrupt the proceedings and put forthwith all questions necessary to dispose of the proceedings on the motion and of the supplementary estimates (A) and for the passage through all stages of any bill based thereon.

The question is on the amendment in the name of the hon. member for Richmond (Mr. Beaudoin).

All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

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

[*English*]

The House divided on the motion (Mr. Beaudoin) which was negatived on the following division:

● (2150)

(*Division No. 86*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Bawden
Beaudoin
Benjamin
Blackburn
Brisco
Cadieu
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Darling
Dick
Dionne (Kamouraska)
Ellis
Elzinga
Epp
Fairweather
Forrestall
Fortin
Friesen
Gauthier (Roberval)
Gilbert
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Horner
Huntington
Hurlburt
Jelinek
Jones
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Lawrence
MacDonald (Egmont)
MacKay
MacLean
Malone
Matte
McCain
McKenzie
McKinley
McKinnon
Mitges
Muir
Neil
Nowlan
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Peters
Ritchie
Rodriguez
Rondeau
Rynard
Saltsman
Schellenberger
Scott
Stanfield
Stewart (Marquette)
Symes
Towers
Wenman
Whittaker
Wise
Yewchuk—79

NAYS

Messrs.

Abbott
Allmand
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Dupont
Dupras
Duquet
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacFarlane
Mackasey
Marceau
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Penner
Portelance
Poulin
Prud'homme
Railton
Raines
Roberts
Rompkey
Rooney
Roy (Laval)
Sharp

Messrs.

Smith (Saint-Jean)	Stollery	Watson
Stewart (Cochrane)	Tessier	Whelan
	Trudel	Yanakis
	Turner (London East)	Young—108

● (2210)

Mr. Speaker: I therefore declare the motion lost.

* * *

[*Translation*]

SUPPLY

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. Jean Chrétien (President of Treasury Board) moved:

That supplementary estimates (A) 1975-76, laid upon the Table Wednesday, November 12, 1975, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Chrétien thereupon moved that Bill C-79, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1976, be read the first time and printed.

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

[*English*]

Mr. Chrétien thereupon moved that Bill C-79, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1976, be read the second time and referred to the committee of the whole.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order. I thought the government would have learned its lesson a year ago when it tried to pull off the same procedure. Now we have precisely the same attitude: the government is wasting time, running over the rules and over the restrictions of the Financial Administration Act and the British North America Act.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Perhaps the memories of some hon. members are not long enough to remember the BNA Act.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. According to the Standing Orders no debate is permissible at this time. I should caution hon. members on both sides of the House, however, that the point of order being raised by the hon. member for Edmonton West (Mr. Lambert) is a most serious one and ought to be listened to very carefully.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Mr. Speaker, it is not my intention to engage in debate. I would merely raise the point of order with a reference to your own words and the

words of the President of the Privy Council (Mr. Sharp) on December 11, 1974. In any event, to found my point of order I would refer to section 54 of the British North America Act which reads:

It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to that House by message of the Governor General in the session in which such vote, resolution, address, or bill is proposed.

Standing Order 62(1) reads as follows:

This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

On the date the President of the Privy Council introduced Supplementary Estimates (A) for the year 1975-76 there did appear at the appropriate date of *Votes and Proceedings* the following entry:

Mr. Chrétien, a Member of the Queen's Privy Council, delivered a Message from His Excellency the Governor General, which was read by Mr. Speaker, as follows:

And then followed the signature of His Excellency, and the following message:

His Excellency the Governor General transmits to the House of Commons Supplementary Estimates (A) of sums required for the service of Canada for the fiscal year ending on the 31st March, 1976, and, in accordance with the provisions of "The British North American Act, 1867" recommends these Estimates to the House of Commons.

The marginal note to clause 5 of the bill at page 3 reads: "Power to raise loan of $2,000,000,000 for public works and general purposes".

There is no provision whatsoever in the estimates, and I invite anyone in this House to examine those supplementary estimates to see if there is any provision, for increasing this loan limit notwithstanding the fact that at the passage of the main estimates earlier this year the power of borrowing was once again raised to add this $2 billion.

I would point out to Your Honour without going into detail, page 2139 of *Hansard* for December 10, 1974, and page 2142. At page 2139 I raised a point of order by way of a question as to the appropriateness of such a clause. The next day my colleague, the hon. member for York-Simcoe (Mr. Stevens), raised a question of privilege precisely on this point. It was interesting to see the remarks of the hon. President of the Privy Council, who said:

Mr. Speaker, I agree with the hon. member that this was a most unusual proceeding. It was one that some of us were not aware of at the time the bill was introduced. I say, however, that a question was raised on a point of order, an explanation given and a vote taken. There was some opposition. However, Mr. Speaker, I want to make it clear that I am not defending the procedure that was followed. I hope we can avoid this sort of thing in future.

I would then refer to the ruling on page 2144 of *Hansard* for December 11, in which Mr. Speaker found against my colleague on his question of privilege in that the matter had arisen the night before, and he ruled that a matter must be attacked or called into question immediately it arose. In addition to which Mr. Speaker ruled that because a vote had been taken and the appropriation bill passed, it was impossible to deal with the point of order.

Therefore at this time on second reading, when the bill is presented to us, after the first reading given it a few minutes ago, I call into question the appropriateness of the appearance in this bill of clause 5, which goes away beyond the terms of the royal recommendation. It never appeared there.

● (2220)

We were told one year ago that it was an unusual procedure, that it was wrong, and would not be done again. Now, in direct contravention of a standing order of this House which is clear and unequivocal, and of section 54 of the British North America Act, the government, with this appropriation act, seeks to have this House set aside its rules and run roughshod over the provisions of the BNA Act. I invite Your Honour to indicate that clause 5 of this bill goes beyond the powers of the recommendation of His Excellency, and must be stricken from the bill.

Mr. Sharp: Mr. Speaker, when this question was raised—

Some hon. Members: Oh, oh!

Mr. Sharp: Mr. Speaker, the hon. member for Edmonton West (Mr. Lambert) quoted words I used last December, when the same point was raised by him. At that time I was quite unaware that the bill then before us included a clause of the kind which is before the House again today. My remarks were directed to this effect: that I was unaware of this, and therefore would not let it happen again. But this time I am aware.

Some hon. Members: Oh, oh!

Mr. Sharp: Mr. Speaker, not only am I aware, but I have before me a list of acts in which a similar clause is to be found. I have 18 statutes, 18 appropriation acts passed between 1955 and 1974, in which a similar provision was included. On each of these occasions I understand that it was quite in order and quite within the terms of the constitution and the British North America Act.

Some hon. Members: Oh, oh!

Mr. Peters: Mitch to the Senate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wish to indicate my support for the position taken by the hon. member for Edmonton West (Mr. Lambert). I suggest to the President of the Privy Council (Mr. Sharp) that any of the earlier precedents to which he referred must be looked at in the light of what was said when this issue arose one year ago. Surely the statement of the President of the Privy Council one year ago, to the effect that it would not happen again, should carry some weight.

I draw to Your Honour's attention the fact that we are operating under Order No. 28 on today's order paper, which reads as follows:

Consideration of a motion to concur in Supplementary Estimates (A) 1975-76, laid upon the Table, Wednesday, November 12, 1975.

A few minutes ago, after we had disposed of the motion for the day put down by the Social Credit party, Your Honour put to the House a question in the name of the President of the Treasury Board (Mr. Chrétien) to the effect that we concur in Supplementary Estimates (A) 1975-76. Thus far I suggest we were operating within the rules of this House. However, I point out to Your Honour Standing Order 58(19) which reads as follows—

Mr. Speaker: Order, please. As I indicated earlier, the point of order involved here was alluded to almost 12 months ago. It is a very serious point of order, one in which I would be greatly aided by having the intervention of any hon. member who wants to contribute to the point. I would very much appreciate being able to hear.

Mr. Knowles (Winnipeg North Centre): I was about to draw to Your Honour's attention Standing Order 58(19) which is very pertinent to this whole situation. It reads as follows:

The concurrence in any estimate or estimates or interim supply shall be an Order of the House to bring in a bill or bills based thereon.

That motion was passed, the motion in the name of the President of the Treasury Board concurring in interim supply. That, therefore, was an order to bring in a bill based thereon. I submit in line with what has been argued by the hon. member for Edmonton West that the bill that has now been introduced is based in the main on the supplementary estimates that we passed a few moments ago, but that clause 5 of this bill is in no way based on the estimates that we concurred in tonight.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I submit further that if one goes back earlier into Standing Order 58 and reads what it is all about in terms of the business of supply, he will find it clear that the business of supply deals with the passing of estimates; main, interim, supplementary, what have you. However, the business of supply does not open the door for the government to bring in other measures; financial, taxation, or what have you.

What we have before us now is a bill allegedly based on supplementary estimates that were passed a few moments ago. However, there is more in the bill than was in those estimates. There is clause 5 which is completely foreign to the estimates as a whole.

The estimates deal with the authority to spend certain money. Some of it is new money, some of it is transferred. But clause 5 is an authority to the government to borrow, in addition to all of the other moneys covered in the motion passed a few moments ago, up to $2 billion with authority to do that retroactively to April 1, 1975.

I submit, therefore, that the hon. member for Edmonton West is quite within his rights and is exercising his responsibility in raising this point of order. As you yourself have said, Mr. Speaker, it is a serious one that calls for serious consideration.

● (2230)

[*Translation*]

Mr. Fortin: Mr. Speaker, our party, in full agreement with the Progressive Conservative Party and the New Democratic Party, wants to point out the unfairness of clause 5 of the bill before the House. The Prime Minister himself, today, during the question period, stated that the only sources of borrowed money the government resorts to are the taxes of the taxpayers, loans on the foreign market and bonds.

Mr. Speaker, through clause 5, which was never discussed by any parliamentary committee, Parliament is asked to grant the government the authority to borrow $2 billion; this will contribute to indebting Canadians further, under the absolute tutelage of the financial and banking system, without our having had the opportunity of discussing the clause. We oppose that clause, since it was never debated in committee. Never has this government asked permission from any parliamentary committee to borrow or be authorized to borrow the amount of $2 billion. Nor does the government divulge the rate of interest it will have to pay on that amount. As the hon. members for Edmonton West (Mr. Lambert) and for Winnipeg North Centre (Mr. Knowles) pointed out, the government trespasses on the rights of Parliament by trying to impose upon us a financial and borrowing system that will indebt Canadians further, without considering the opinions of the elected representatives of the people. That is why we respectfully ask that this clause be declared out of order without reservation and, therefore, the whole bill.

[*English*]

Mr. Blais: Mr. Speaker, I am surprised at the intervention of the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Winnipeg North Centre (Mr. Knowles). The hon. member for Edmonton West was here during the time when two of these bills were presented. The hon. member for Winnipeg North Centre was in the House in March of this year when we presented a bill which contained exactly the same provision, and he raised no objection then. We are not contravening the constitution in what we are doing here. What we are trying to do is to obtain authorization for the following funds.

I agree that Standing Order 62 was passed pursuant to the British North America Act. Standing Order 62 reads:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or any tax or impost to any purpose that has not been first recommended to the House—

We are not attempting to do that. We are seeking approval to obtain moneys by way of borrowing in the usual manner, as provided in the Financial Administration Act.

With reference to expenditure, it cannot be made without the approval of the House. There is no doubt about that. That is the role of the estimates we are presently studying. There cannot be expenditure without approval. However, under the Financial Administration Act there is power to seek funds in the usual way by borrowing on the open market in the manner provided by the statute. These funds are expended under the control of the House.

The hon. member for Winnipeg North Centre (Mr. Knowles) dragged a red herring across this argument by bringing in Standing Order 58(19). It is true that Standing Order 58(19) provides that there has to be an order of the House in order to pass the estimates. There is no doubt about that, but the standing order does not prohibit this parliament from—

Mr. Speaker: Order, please. May I point out to all hon. members that I am taking this point of order, I say for the third time, most seriously. In order to take it seriously I have to be able to hear the arguments on both sides.

[Mr. Fortin.]

Some hon. Members: Hear, hear!

Mr. Blais: Standing Order 58(19) in no way prohibits the practice that has been adopted by the House and carried on since 1955. Undoubtedly the gentlemen who were sitting in Your Honour's position were made aware of the provisions as the bills were presented, and there is no doubt that the procedure presently followed by the government is in order. I suggest the reasoning of the Chair at that time was exactly that advanced to Your Honour, namely, that the government is attempting at this time through clause 5 of the bill to seek authority to borrow, not to expend funds. Funds can only be expended when the estimates are approved by this House.

Mr. Stanfield: Mr. Speaker, I simply want to make one or two suggestions to Your Honour in connection with the point that has been raised. With regard to the historical argument, may I point out that very significant changes have been made to the whole supply procedure since the days referred to by the government House leader.

The most serious point I want to make to Your Honour is that I believe you should adopt in this case a very strict construction, because there are some very unusual rules under which the bill proceeds through the House. There is no provision for debate.

Mr. Sharp: Yes, in committee.

Mr. Stanfield: The minister has just made my point for me. He says there is debate in committee—debate on the estimates, examination of the estimates, yes, but absolutely no examination or possibility of debate on this clause. Therefore I content myself with saying that there is very clearly a heavy burden on the government to justify including any measure, whether it relates to borrowing or to divorce, in a bill that cannot be debated. I therefore suggest there would have to be very unusual reasons, which have not been put forward tonight by government spokesmen, for justifying the inclusion in a bill that cannot be debated any provision that was not included in the estimates.

Mr. Macdonald (Rosedale): Mr. Speaker, I agree totally with the Leader of the Opposition (Mr. Stanfield) that you should apply a very strict construction to the words used in section 54 of the British North America Act and in the standing orders. As my colleague from Nipissing pointed out in his very able address, the words "appropriation," "estimates", and, in the case of section 54, the words "vote, resolution, address, or bill for the appropriation of any part of the public revenue" mean exactly that and no more.

● (2240)

These supply procedures are in effect the authority to pay out of the consolidated revenue fund, or to make payments as provided in the estimates for this particular purpose. Section 54 is confined to payments out only. It does not apply to the borrowing authority exercised by the Government of Canada traditionally over the years.

The borrowing authority is dealt with by the Financial Administration Act, Section 41, which provides that no money shall be borrowed for a security issue by or on behalf of Her Majesty without the authority of parliament. We are not talking about the case of borrowing for payments out, we are talking about securities or loans issued from time to time by the Government of Canada for the purpose of pay-outs in actual funds. In that sense I would agree with the Leader of the Official Opposition that the strictest construction is to be applied.

When we are talking about the estimates and Section 54 of the British North America Act we are talking about payments out of the Consolidated Revenue Fund. The borrowing power of the Government of Canada is not restricted by the British North America Act in the same way, and it is for that reason that for many years we have followed this procedure of authorizing this borrowing in this particular bill without having preceded it with the same kind of recommendation as is necessary in the case of payments out.

Mr. Speaker: Order, please. I note that no other hon. members to my right seem to wish to intervene in this very interesting point. There are several on my left who have indicated their desire, but I have refrained from hearing them, a fact which I suppose may give some indication of the position I propose to take.

The practice involved in examining and coming to a decision on the supply of money by parliament to the government has undergone some changes in the recent past. However, this still leads to the situation in which, as this evening, the House has had to address itself to all stages of a supply bill without debate and without amendment.

Accordingly, as I think all members who have participated in the discussion have agreed, the strictest interpretation of the rules has to be applied in terms of all clauses of the bill to which the House is addressing itself.

The practice of including in a supply bill a clause which gives to the government the power to borrow money has been referred to, or defended almost exclusively this evening on the basis of the fact that it has been the practice of the House for many years. The fact of the matter is that in respect of supplementary estimates, it has been the practice only very recently. Since 1955, I may say to the House, that kind of clause has been presented only in relation to the main estimates or, in some cases, to interim supply. Its occurrence or presence in a bill which is related, as is this bill, to supplementary estimates is a most recent occurrence, indeed.

If I were to indicate my disapproval, that would probably be not very important. I must go back a year ago to the disapproval of what was suggested or put forward in this House, in unequivocal terms, by the President of the Privy Council (Mr. Sharp). This has already been quoted by the hon. member for Edmonton West (Mr. Lambert), but the remarks I think bear repeating. This was said by the President of the Privy Council almost exactly one year ago, and it is as follows:

> Mr. Speaker, I agree with the hon. member that this was a most unusual proceeding. It was one that some of us were not aware of at the time the bill was introduced.

He was referring to the presence in the supplementary estimates supply bill of a clause relating to the borrowing power of the government. He said:

> —this was a most unusual proceeding. It was one that some of us were not aware of at the time the bill was introduced. I say, however, that a question was raised on a point of order, an explanation given and a vote taken. There was some opposition. However, Mr. Speaker, I want to make it clear that I am not defending the procedure that was followed. I hope we can avoid this sort of thing in future.

There is an historical ground or some justification for including in a supply bill which relates to the main estimates, and even a supply bill that relates to interim supply, a clause which relates to the borrowing power of the government. However, the inclusion of such a clause in a bill for supplementary estimates as in the bill before the House tonight, seems to me to be totally without justification, as I understand the remarks and the stand taken by the President of the Privy Council almost exactly one year ago.

Some hon. Members: Hear, hear!

Mr. Speaker: I would therefore suggest at this stage, when the supply bill is about to go through all stages before this parliament without debate or without amendment, that in my view it can only go forward through that sort of process if clause 5 can be stricken from it.

Some hon. Members: Hear, hear!

Mr. Speaker: I might add that according to our standing orders there is no provision for debate or amendment, therefore no provision for discussion of any sort. A point of order has been raised, one that was raised a year ago. I take it as a valid point of order, and I order that clause 5 be stricken from the bill and that the bill proceed for consideration.

It would be most serious and a grave step to interrupt in any way the process of supply at this time and I do not propose to do so. The borrowing-power clause is clause 5, and I ordered that it be stricken from the bill and that we proceed through all the stages of the bill. But this does not open in any way any clause for discussion, debate or amendment. It should proceed quickly and without discussion through all stages.

Some hon. Members: Resign.

Mr. Speaker: Order, please. When the second reading motion was proposed to the House, the hon. member for Edmonton West raised a point of order. That point of order has been taken and has been decided. I have ordered that clause 5 be stricken from the bill and I now put the motion for second reading. Is it the pleasure of the House that the bill be now read the second time and referred to committee of the whole?

Some hon. Members: Agreed.

Motion agreed to, bill as altered read the second time and the House went into committee thereon, Mr. Laniel in the chair.

The Chairman: Shall Clause 2 carry?

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I rise on a point of order.

The Chairman: Is the hon. member for Bellechasse rising on a point of order? May I remind the hon. member that there is no debate, no question, no reply from the minister, and that he must stand at his place to rise on a point of order. The hon. member for Bellechasse on a point of order.

Mr. Lambert (Bellechasse): I understand the ruling of the Chair; I wish however to rise on a point of order. I should like us to consider very seriously a situation which occurs every year when—

Some hon. Members: Quiet!

Mr. Lambert (Bellechasse): Mr. Chairman, did you recognize me so that I could rise on a point of order or not?

The Chairman: Order, please. I should like hon. members to let the Chair hear the point of order; if there is no point of order, I shall come up with a ruling. However, hon. members must let the hon. member make the point he intends to discuss.

Mr. Lambert (Bellechasse): Mr. Chairman, I find your decision quite wise and honest. Here is the point of order I want to make. A bill of this kind is put before us each year, with the same preamble referring to Her Majesty the Queen as if we had to ask for her authorization to run our country, to get the funds necessary to face the administrative obligations and expenses. I feel, Mr. Chairman, that this wording is obsolete, that we should use a different wording to express ourselves in a language all Canadians understand.

The Chairman: Order, please. I must point out to the hon. member that the point he is raising is not a point of order which can be accepted for the moment and, secondly, that it is not permitted in this House to cast a reflection upon Her Majesty the Queen nor upon our institutions. So, I have to tell him that his point of order is not acceptable, and I hope we will be able to move along now.

[*English*]

Shall clause 2 carry?

Some hon. Members: Agreed.

Clause agreed to.

● (2050)

Clauses 3 and 4 agreed to.

On clause 6—

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, on a point of order, should not clause 6 be renumbered clause 5?

The Chairman: Is it agreed that clause 6 be renumbered and become clause 5?

Some hon. Members: Agreed.

Clause 5 as renumbered agreed to.

[The Chairman.]

The Chairman: Shall the schedule carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Some hon. Members: Oh, oh!

The Chairman: Could we have order, please? Some hon. members are coming into the House, and we are voting. We are in committee. We are still in the House of Commons, and I hope hon. members will follow the rules.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

The Chairman: Shall I report the bill?

Some hon. Members: Agreed.

Some hon. Members: On division.

Bill reported.

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

Some hon. Members: Now.

Some hon. Members: No.

Mr. Chrétien moved that the bill be read the third time and do pass.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

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

Mr. Fortin: Mr. Speaker, I think that the microphones, the "mikes" as the Prime Minister would say, are working on this side but not on the other. We said nay to this bill and I should ask you, according to the Standing Orders, if the yeas or the nays have it?

Mr. Deputy Speaker: I shall mention to the hon. member that the Chair has ruled and that the motion was passed. The Chair did not think that hon. members who said nay did it seriously.

Mr. Fortin: I rise on a point of order.

Mr. Deputy Speaker: If the hon. member would resume his seat—

Mr. Fortin: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: I shall ask the hon. member to resume his seat. I shall point out to him that each time an hon. member says nay, if he thinks that the Chair did not

hear him he just has to rise. If he says it only for his neighbours, it is then very difficult for the Chair to establish what hon. members might think at the time of the vote. I think the hon. member did not rise. He does only after the Chair put the motion, after it was passed. I cannot accept his request to put the motion again.

Some hon. Members: Agreed.

Mr. Fortin: Mr. Speaker, I rise on a point of order—

Mr. Deputy Speaker: Does the hon. member rise on the same point of order or another one?

Mr. Fortin: No, it is another one, Mr. Speaker. You called me to order saying that I was not serious when I said nay.

Some hon. Members: It is true—

Mr. Fortin: The Liberals will say it is true. It is because they do not say what they think.

Mr. Speaker, when I said I was against the bill—

Mr. Deputy Speaker: Order, please. I ask the hon. member to sit down because he did not rise on another point of order but is instead continuing the debate, and the Chair is not prepared to allow this debate.

It being past ten o'clock, the House stands adjourned until tomorrow afternoon at two o'clock, pursuant to the provisions of Standing Order 2(1).

The House adjourned at 11:05 p.m., pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, December 10, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

ANTI-INFLATION BOARD

PROPOSED COMMITTEE STUDY OF REGULATIONS—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, according to the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion on an urgent and important matter.

Considering the powers conferred under Bill C-73 to the Anti-Inflation Board, and the regulations that will be made after the adoption of this legislation, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House recommend that regulations to be made under Bill C-73 be brought to the attention of the Standing Committee on Finance and Trade before their application.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

POSSIBILITY ANTI-INFLATION BOARD WILL REJECT SETTLEMENT WITH UNION—POSITION OF POSTMASTER GENERAL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Postmaster General. In light of reports that the Anti-Inflation Board will today indicate non-acceptance of the agreement between the Post Office and the CUPW, has the minister requested permission from the Anti-Inflation Board to appear before it to make representations?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I am unaware of the reports simply because none have been brought to my attention officially. I have no hesitation to seek—

An hon. Member: Do you listen to radio?

Mr. Mackasey: I am a better friend of labour than the socialists ever were. I may say to the hon. gentleman that if the Anti-Inflation Board thinks this is too rich a settlement, what would it have thought of the 52 per cent settlement the NDP were advocating? Having said that, I suggest I would go to the Anti-Inflation Board on behalf of the workers of CUPW, even though I have contempt for some of their leaders, and be prepared to fight for the workers who have been deprived of wages for 41 days. I think the Anti-Inflation Board in the meantime can address itself to such meaningful things as rolling back the exorbitant prices of certain foodstuffs in this country.

● (1410)

GOVERNMENT POSITION ON APPEARANCE OF POSTMASTER GENERAL BEFORE ANTI-INFLATION BOARD

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a supplementary question to the Prime Minister? Is it the government's position that the Postmaster General should seek permission to make representation to the Anti-Inflation Board? If so, would the Postmaster General be stating the government's case before the Anti-Inflation Board?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, to my knowledge this question does not arise in this way. When the Anti-Inflation Board, in carrying out its mandate, wants to question the validity of any settlement, it gets in touch with both parties. I know it got in touch with certain ministers of the government. I have no knowledge of what it did with labour. I have been told, and this is hearsay, that it has been in touch with labour. There is no question at this time or, indeed, in future, of having the Postmaster General make certain representations to the Anti-Inflation Board.

* * *

ANTI-INFLATION BOARD

POSSIBILITY OF GOVERNMENT APPEALING BOARD'S REJECTION OF A WAGE SETTLEMENT TO WHICH IT WAS A PARTY

Hon. Robert L. Stanfield (Leader of the Opposition): A final supplementary question, Mr. Speaker. I want to know the position of the government in the case where the Anti-Inflation Board finds a settlement, to which the government is a party, unsatisfactory. Would the government entertain an appeal with respect to that agreement to which it is a party? This is not a hypothetical question. Is

the government prepared to entertain an appeal to itself, in the case where it is a party to the original agreement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the question is not hypothetical, it probably has reference to the white paper and the commission as it now exists and will exist under the legislation. This is a matter of law. The hon. member is able to read the white paper; he knows the procedure. We have always stated that the government would negotiate in good faith with its employees, including the postal workers, would reach a settlement which we would interpret to be within the guidelines, but that the Anti-Inflation Board has a duty to perform. As I indicated, I know that the Anti-Inflation Board is making certain contacts, at least with this party. That is the status of the situation now.

* * *

AGRICULTURE

DESTINATION OF BUCKWHEAT IMPORTED FROM UNITED STATES BY CARGILL—POSSIBILITY OF EXPORT TO JAPAN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Agriculture, of which I gave him notice. Would the minister inform the House of the final destination of some two million pounds of buckwheat imported from North Dakota and Minnesota to Manitoba in October, 1975, by Cargill Limited and other grain companies, and can he inform the House what amounts, if any, were imported in November?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is a requirement under the Canada Grains Act for licensed elevators which receive foreign grain to report these receipts to the Canadian Grain Commission. I have asked the commission to check into this matter and when I have their report I will be pleased to forward information to the hon. member.

An hon. Member: Who wrote that, Gene?

Mr. Broadbent: Mr. Speaker, I thought I was the one who was relatively uninformed on agricultural matters.

Some hon. Members: Hear, hear!

Mr. Broadbent: May I ask my colleague from an automotive city the following supplementary? Can the minister tell the House if this buckwheat—and would he please check this—is being transported under statutory grain rates through Canada for re-export to Japan via Vancouver, a practice which I am sure the minister well knows would be a clear violation of Canadian law?

Mr. Whelan: Mr. Speaker, the hon. member sent the question to my office at one o'clock. I was not aware of it until just before entering the House because I was at a meeting until two o'clock. We are already asking for this information and will forward it to the hon. member as soon as it is available. As Minister of Agriculture, I certainly do not want anything done that is contrary to our law.

[Mr. Stanfield.]

LICENCES GRANTED FOR STORAGE OF UNITED STATES BUCKWHEAT

Mr. Edward Broadbent (Oshawa-Whitby): Will the minister further advise the House or investigate whether the Canadian Grain Commission has received requests for and/or granted any licence to Cargill or other United States companies to allow U.S. buckwheat to be stored in Canadian elevators, as required under the Canada Grains Act? If so, will he tell us the names of those companies?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as far as I am concerned, all the information that the Canadian Grain Commission has concerning the use of warehouse facilities, elevator facilities and so on is public information. This is done from time to time. It is all kept according to the law by the Canadian Grain Commission. I will make the information available to the hon. member or the House.

* * *

[*Translation*]

FINANCE

PROPOSAL THAT GOVERNMENT EXTEND INTEREST-FREE LOANS

Mr. René Matte (Champlain): Mr. Speaker, yesterday I directed a question to the Minister of Finance and it was referred to the Prime Minister. The latter answered as follows:

—there are no such things as interest-free loans. When we grant loans, the government itself has to borrow the money from the taxpayers. If the interest is not paid by the beneficiary, it is paid by the taxpayers generally.

In answer to a supplementary, the Prime Minister gave as example the last borrowing through the Canada saving bonds for which the government pays interest of about 9¼ per cent to lend that money interest-free to foreign countries. This answer puzzled me and to use the terms—

Mr. Speaker: Does the hon. member want to ask a question?

Mr. Matte: I am coming to my question, Mr. Speaker; here it is: Would the Prime Minister advise the House whether interest-free loans to foreign countries are made with money obtained through Canada saving bonds or with money generated by credit making?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the money we lend to developing countries comes to them as a sort of credit. This is only possible if the government itself is in a position to extend credit. This credit in turn depends on the Consolidated Revenue Fund of the Canadian government as well as on the monetary system itself. As I said, this monetary system can operate only if the government makes sure that all loans yield interest. With certain types of loans, it frequently happens that taxpayers instead of the borrower must pay the interest. Anyway, when the government must borrow money for its own use, it must pay interest, and this is why I say that interest-free loans do not exist. There are loans on which the interest is paid either by the borrower or the government, that is to say, the taxpayers.

INQUIRY WHETHER MONEY LENT TO FOREIGN COUNTRIES IS GAINED THROUGH BONDS

Mr. René Matte (Champlain): Mr. Speaker, I want to ask a supplementary question.

My question is clear and precise. Do we know any more clearly whether those loans are taken from the Canada savings bonds fund, or from an altogether fictitious credit?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will refer to the answer I made yesterday, I gave an example in which the government itself had to pay interest. I could certainly have taken another example than Canada savings bonds; I could have chosen the issues of the Canadian government bonds. Two weeks ago, I think, bonds were issued which bear a 10 per cent interest for those who agree to lend money to the government for a period of 20 years, I think. So, when the government borrows money from taxpayers, it pays interest, and it is fair that when it lends to others, this interest is paid back to the government, again, either by the borrower, or by the taxpayer himself.

* * *

● (1420)

[*English*]

INCOME TAX

POLITICAL CONTRIBUTIONS—SUGGESTED INVESTIGATION OF POSSIBLE TAX EVASION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is directed to the Minister of National Revenue. Can the hon. gentleman tell the House whether, pursuant to any investigations into party fund raising practices which one of the RCMP warrants indicated formed part of their inquiry into the Sky Shops affair, he or his investigatory officials have contacted the RCMP to ascertain the extent to which political contributions have been paid by companies or individuals out of pre-tax dollars?

Hon. Jack Cullen (Minister of National Revenue): While we are conducting an investigation I think it would be inappropriate to make any comment. If the hon. member would wait a couple of weeks I think we will have more information for him.

Mr. MacKay: I should like to thank the minister for that answer and ask him whether he will, in fact, do this and report to the House in due course since it is conceivable that millions of dollars of tax revenue have been lost if this practice has been widespread.

* * *

GOVERNMENT ADMINISTRATION

AUDITOR GENERAL'S ALLEGATIONS OF LACK OF FINANCIAL CONTROL—GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Prime Minister. The Auditor General concluded in his report tabled yesterday that the present state of financial management and control systems in the government is significantly below acceptable standards and effectiveness and has recommended the establishment of a special agency to co-ordinate supervision of public spending. Since this conclusion and recommendation, in effect, call into question the competence of the Treasury Board and its capacity to rectify the situation, I should like to ask the Prime Minister whether he, personally, intends to act to deal with this most serious matter?

Right Hon. P. E. Trudeau (Prime Minister): I do not admit the premise of the question, particularly as it relates to the Treasury Board. Naturally, we are very concerned about the state of affairs to which the Auditor General refers and we are looking seriously at the recommendations he is making, including the setting up of a special branch or agency. Early in the New Year I hope to announce the response of the government to these particular recommendations made by the Auditor General. It is certain that in the meantime the government is very anxious to draw inspiration from the Auditor General's report and make sure that the government does improve the efficiency of its accounting procedures.

* * *

AUDITOR GENERAL

DATE OF LEGISLATION IMPLEMENTING REPORT OF INDEPENDENT REVIEW COMMITTEE

Mr. Lloyd R. Crouse (South Shore): The Auditor General stated on page nine of his report that he has been notified that the report of the independent review committee on the powers and resources of the Auditor General is under active consideration by the cabinet and that proposals will be made in the form of draft legislation. Will the Prime Minister tell us whether the government has yet decided what to do about this matter and when legislation will be introduced?

Right Hon. P. E. Trudeau (Prime Minister): The words speak for themselves. The matter is under active consideration by the government and we shall make an announcement in the usual manner, should we decide to take action.

* * *

ANTI-INFLATION BOARD

POSSIBILITY OF CABINET RECEIVING REPRESENTATIONS FROM GROUPS AGAINST WHOM BOARD MADE DECISIONS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister and it is supplementary to the question asked by the Leader of the Opposition. Since it is apparent that the Postmaster General has been, is, and will be making representations to the cabinet respecting the decision of the Anti-Inflation Board regarding the postal settlement, may I ask whether the cabinet is also ready to receive representations from other groups or other boards in respect of whom decisions of the Anti-Inflation Board have been made?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member refers, as I believe the Leader of the Opposition did, to decisions of the Anti-Inflation Board. The only decision of which I am aware is that they are carrying out their mandate in this particular case by talking to the parties to the dispute. One of the parties is the Government of Canada, and that means all the ministers on this side of the House.

Mr. Lawrence: A supplementary question, Mr. Speaker. According to press reports, as late as three quarters of an hour ago a decision had been handed down by the Anti-Inflation Board. But whether it has or has not, may I get down to brass tacks and ask the Prime Minister whether the cabinet would be willing to hear a joint appeal by the metro Toronto school board and the metro Toronto secondary school teachers federation regarding the decision of the Anti-Inflation Board of 10 days ago?

Mr. Trudeau: Mr. Speaker, once again, as I did in reply to the Leader of the Opposition, I refer the hon. member to the statute which is in the process of being passed and which will soon be proclaimed, or to the white paper, where he will see what procedure has been laid out. The hon. member refers to a decision of the Anti-Inflation Board, a recent one, he says. No member on this side is aware of any such decision, so if the hon. member has information I wish he would lay it before the House.

* * *

EXTERNAL AFFAIRS

CHILE—CANADIAN SUPPORT FOR EXAMINATION OF ALLEGED VIOLATIONS OF HUMAN RIGHTS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Secretary of State for External Affairs, but in his absence it might be directed to the Prime Minister. With respect to the vote at the United Nations yesterday concerning the situation in Chile, when the assembly registered its profound distress at the constant and flagrant violations of human rights, a vote that Canada supported, in view of the comments made at that time by our delegate to the third committee that Canada was not totally accepting the conclusions of the report of the special working group because it was not able to enter Chile to observe and make inquiries first hand, would the government take further action directly through diplomatic channels with the government of Chile in order that there can be a full and complete examination of the situation in that country?

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am sure all government members highly appreciate this question. The hon. member points out the concern we have always felt in the past with regard to the situation in Chile. At the time, we protested against the fact that no international commission could go and see on the spot what was going on there. We will continue to do so. Our positive vote yesterday, at the United Nations, in favour of human rights being respected in Chile proves indeed that we will continue to do so.

[*English*]

Mr. MacDonald (Egmont): A supplementary question, Mr. Speaker. While appreciating and congratulating the government on the vote, would the parliamentary secretary indicate, in view of the lack of information which seemed to concern our delegate to the third committee, whether we will be taking definite action with the junta in Chile to ensure that there is a full examination by this working group, or a similar one established by the United Nations?

[*Translation*]

Miss Bégin: Mr. Speaker, I did not answer the supplementary previously because it seems to me to be fairly obvious that we are working on a multilateral level; I therefore cannot make a unilateral statement on the matter at this time.

* * *

[*English*]

ATOMIC ENERGY OF CANADA LIMITED

SUGGESTED INVESTIGATION OF ALLEGATIONS OF AUDITOR GENERAL CONCERNING FINANCIAL SITUATION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. With respect to the Auditor General's report that AECL is guilty both of inflating the true value of its assets and of understating the current extent of its liabilities, and in view of the $100 million loss on the Argentine project, does the minister intend to consult his colleague the President of the Treasury Board regarding the launching of a full scale inquiry into the financial management systems of AECL?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am sure hon. members will have plenty of opportunity in the public accounts committee to question officials of AECL.

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker, which I will direct to the President of the Treasury Board. Does the minister agree that if the practice followed by AECL were followed by a public company in this country, the legal consequences could be very serious indeed?

Mr. Speaker: Order, please.

* * *

HEALTH

FINDING OF LEAD IN CANNED SOFT DRINKS—GOVERNMENT ACTION

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. In view of the fact that federal inspectors have found traces of lead in 7-UP cans, could the minister inform the House whether his officials have extended investigations to other pop manufacturers as well as to producers of canned beer, and would he say whether major retailers have been notified of these findings?

● (1430)

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the problem appears to be confined at the present time to the products of one particular company, and the initial analysis will be confined principally to the products of that company. However, we will be including products from other manufacturers as part of a continuing monitoring program that has been under way for several years.

* * *

POST OFFICE

RANKIN INLET, NORTHWEST TERRITORIES—REQUEST FOR RE-OPENING OF OFFICE

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in view of the fact there have been no post office services at Rankin Inlet, Northwest Territories, since the mail strike ended on December 2, and in view of the fact that explanations I have received from his officials have been conflicting, will the Postmaster General take steps to ensure that the post office at Rankin Inlet, Northwest Territories, is reopened as soon as possible, as Santa Claus is frustrated?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the problem there is one of finding a suitable candidate for a vacancy.

An hon. Member: Do you want the job?

Some hon. Members: Oh, oh!

An hon. Member: Are you available, Bryce?

Mr. Mackasey: I would say sincerely that any recommendations of the hon. gentleman would be taken very seriously. If they will help to fill the vacancy I will be glad to accept any of his recommendations, because he seems to be an exception to the general rule in that corner.

* * *

HEALTH

TROPICAL DISEASES—NEED FOR QUARANTINE AND TREATMENT CENTRES WITH COMPETENT STAFF

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, in view of the rapid increase in the incidence of tropical diseases and the fact that our facilities are inadequate for treating this increasing number, and the additional fact that the Olympic Games will be held in Canada in 1976 with athletes coming from all over the world, for example from countries such as Ghana, Nigeria and West Africa where the disease lassa is endemic and airborne, possibly one of the most dangerous in the world, with the frightening mortality rate of something like 18 per cent to 50 per cent, which could become epidemic in Canada where, as far as is known no specific treatment is available, I would ask the Minister of National Health and Welfare what provisions his department has made to meet the situation by setting up quarantine stations and treatment centres manned by physicians who know something about the care and treatment of this disease?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I intend to introduce further amendments to the Quarantine Act during the course of the next session which will permit me to name any highly contagious disease such as Lassa fever, as requiring quarantine. Secondly, we have at the present time a quarantine contingency plan in existence to be activated in the event of the development or outbreak of any highly contagious disease. Thirdly, there is a federal-provincial study group known as the Isolation Facilities Working Group studying at the present time all the existing isolation facilities across the country and evaluating whether these facilities are adequate to meet the necessary needs in the case of a contagious disease being imported into Canada. Finally, we are in close and continuing consultation with other countries, in particular the United States and the United Kingdom, with regard to all areas of contagious diseases.

* * *

EXTERNAL AFFAIRS

TREATMENT OF JEHOVAH'S WITNESSES BY MALAWI—GOVERNMENT ACTION TO PROTEST

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, in the absence of the Secretary of State for External Affairs I should like to direct my question to his parliamentary secretary, and it follows the report of our strong vote at the United Nations in respect of the rights of man. It is also somewhat appropriate to the season we are about to celebrate. The question concerns disturbing reports of renewed persecution of Jehovah's Witnesses in Malawi following their expulsion from Mozambique immediately after its liberation. Knowing of the interest in Mozambique's liberation shown by this government, and knowing that Jehovah's Witnesses steadfastly refuse either to vote or bear arms and, therefore, have no one to speak for them in the councils of this world, will the minister make representations to Malawi urging that these people, or those of them who remain, be permitted to live in peace?

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I shall convey the proposal of the hon. member to the Secretary of State for External Affairs so that he can study it.

* * *

CANADIAN NATIONAL RAILWAYS

REQUEST THAT FARE INCREASES NOT EXCEED TEN PER CENT—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Transport.

As the authorities of the Canadian National announced publicly yesterday afternoon their decision to increase the rates on the lines serving the suburbs of Montreal by 25 per cent from the beginning of January, can the minister tell

us whether he discussed the matter with the CN authorities and whether he favours their decision?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there have been ongoing discussions among some of our officials and the Canadian National Railways and also with the city of Montreal. In general, the problem which faces the railways is the significant loss on commuter services, and in our view the problem is essentially one to be dealt with by provincial and municipal authorities.

[*Translation*]

Mr. La Salle: Mr. Speaker, I have a supplementary for the right hon. Prime Minister.

I think he will understand the meaning of my question because we now have legislation on controls. An agency created by the government is endorsing a 25 per cent rate increase. Is the Prime Minister prepared to urge the commission not to allow increases in excess of 10 per cent, as provided in Bill C-73?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have little to add to what the Minister of Transport has just told to the House. The hon. member is certainly aware that the matter was discussed last week when the Minister of Finance met the finance ministers of the provinces. We tried to establish together a plan which would enable the government to fight inflation as much as possible while ensuring that the taxpayers would bear their fair share of the burden. To my knowledge, the regulation on agencies and Crown corporations is not published. I think it will be issued very soon.

* * *

AIR TRANSPORT

THE USE OF FRENCH IN AIR-TO-GROUND COMMUNICATIONS IN QUEBEC

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I wish to put a question to the Minister of Transport.

In the answers he gave the House of Commons last November 21 and yesterday, December 9, following questions about the use of French in airports, the minister said that a committee of his department was reviewing the implications of the use of French in airports. Can the minister tell the House today when the committee will submit its report, what are the names of the members of that committee and whether French-speaking controllers are represented on that committee?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there was a committee which had representation from all sides, including the French-speaking controllers, that made very little progress before discontinuing its work because of some confrontation between the parties represented. What has been going on since is that within our department we have been meeting the various people interested with a view to making progress in respect of the safe use of the two languages in differing circumstances. In the case of air traffic and air traffic control, I will expect a series of reports rather than a specific report in order that we can make progress in a progressive manner.

An hon. Member: And that's a progressive answer.

* * *

EXTERNAL AFFAIRS

IMPRISONMENT OF SIX UKRAINIAN WOMEN BY RUSSIA—GOVERNMENT ACTION TO PROTEST

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Prime Minister in the absence of the Secretary of State for External Affairs, and I want the question answered by the Prime Minister and not by a parliamentary secretary, because they have no knowledge of policy.

Some hon. Members: Shame, shame.

Mr. Diefenbaker: I ask this question in view of the fact that today is International Human Rights day, and that members of the Ukrainian peoples are gathered on Parliament Hill for the purpose of protesting the imprisonment of six women who have committed no offence other than having stated that the constitutions of the U.S.S.R. and the United Nations denies the imprisonment being imposed on these women in the U.S.S.R.

● (1440)

Having regard to the fact that representatives of the Ukrainian people brought this matter to the attention of the government on December 2 and asked that the question of the imprisonment of women who are political prisoners should be brought to the attention of the Third Committee debate at the UN, and since the matter was not raised, will the Prime Minister, because of the very great importance of this matter and its interest to hundreds of thousands of Canadians, and having regard to the provisions of the Helsinki pact, bring to the attention of the U.S.S.R. the injustice that is being perpetrated which denies those principles of the United Nations charter.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question, of course, is an important one but it refers to certain dates and discussion in committee of a particular nature, and of such a nature indeed that the right hon. gentleman had to read his question because he was not too much aware of it himself. I think he will understand that if I refer this question to the parliamentary secretary, it would not be the intention to downgrade any member of this House particularly one as capable as the Parliamentary Secretary to the Secretary of State for External Affairs.

Mr. Diefenbaker: The capabilities—

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, on a point of order may I say to the right hon. gentleman opposite that I received the representatives of the Committee of Canadian Ukrainians some time ago. I do not recall the exact date. We discussed action and information in respect of the Canadian public on the question the right

hon. gentleman referred to this House. This afternoon, in the name of the Secretary of State for External Affairs, I am receiving a group of Canadian women who will make a representation so I think he will understand that I would like to listen to their representation before making any statement.

Mr. Diefenbaker: Mr. Speaker, the Prime Minister saw fit to make one of his smart aleck remarks—

Some hon. Members: Oh, oh!

Some hon. Members: Shame.

Mr. Diefenbaker: —unused as he is to reading from the record as he speaks. I have before me a document giving the names of these women and I could not memorize them, but because the Prime Minister does not know who they are possibly I should read this.

Mr. Speaker: Order, please. The right hon. member for Prince Albert has put a question which has been referred to the parliamentary secretary. If he has a supplementary question perhaps he would put it right away.

Mr. Diefenbaker: Mr. Speaker, a gratuitous and insulting remark was made. However, he is improving; he does not use four-letter words any more. Mr. Speaker, on a question of order I raise this point—

Mr. Speaker: Order, please.

Mr. Diefenbaker: I have been here long enough to know the rules.

Mr. Speaker: Order, please. If the right hon. member or any other member has a point of order it can be taken at three o'clock. The hon. member for Winnipeg North Centre.

* * *

SOCIAL SECURITY

EFFECT ON GUARANTEED INCOME SUPPLEMENT OF RECEIPT OF FAMILY ALLOWANCE BY GRANDPARENT RAISING GRANDCHILD

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the fact that grandparents receiving old age security and the guaranteed income supplement who are called upon to raise their grandchildren find that the family allowance paid for the grandchildren to the grandmother results in the guaranteed income supplement paid to the grandparents being reduced, even though this may happpen in just a few cases, will the minister look at it in the hope that this unfairness can be corrected.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for having drawn this matter to my attention before. I am sure this is a matter which probably escaped the attention of all members of parliament when we were considering family allowances and the OAS legislation. I am looking into it further and assessing the actual situation. I hope that after review, if what the hon. member says is the exact situation, we shall be able to remedy this situation at the first opportunity.

* * *

[*Translation*]

AIR TRANSPORT

SUSPENSION OF TWO QUEBEC COMMUNICATIONS EMPLOYEES FOR USING FRENCH

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to put a question to the Minister of Transport or his parliamentary secretary.

In view of the obsessive problem of bilingualism which prevails at the moment and the inadmissible response of the department which has just dismissed or suspended two French-speaking air controllers because they were bold enough to speak French in Dorval, can the minister tell the House if the Quebec government has made representations concerning this matter and if so what steps he intends to take to check this chronic disease which weakens the French fact more and more throughout Canada and more specifically in Quebec?

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am not personally aware of any representation made by the province of Quebec on this particular point in the last couple of days since this situation arose but I will make inquiries for the hon. member and advise him.

* * *

STATUS OF WOMEN

PORTRAYAL OF WOMEN BY ADVERTISING MEDIA— GOVERNMENT ACTION TO CORRECT

Mrs. Ursula Appolloni (York South): Mr. Speaker, my question is addressed to the minister responsible for the Status of Women in Canada. As International Women's Year is drawing to a close, can the minister tell the House what steps he has already taken or intends to take in an effort to heal the sickeningly dim-witted or even moronic image of women all too often portrayed, or should I say betrayed, by the advertising media.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this is a matter which was discussed during a conference called "Action 75 plus", which was held in Ottawa recently. Following this conference, the Canadian Advertisers' Association has set up a special workshop to consider this question. I trust the Canadian Advertisers' Association will take the necessary steps to improve the situation in this respect which, as the hon. member has pointed out, is most unsatisfactory.

[*English*]

HOUSING

ASSISTED HOME OWNERSHIP PROGRAM—SUGGESTED FIRST REFUSAL PROVISION FOR CMHC IN CASE OF RESALE

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question was for the minister responsible for housing, but in his absence I should like to address it to the Prime Minister. In view of the fact that the avowed intent of the AHOP program was to provide low-cost housing for Canadians, and in view of the fact that some of these houses are now being sold at a capital gain, would the Prime Minister entertain the thought of having a first refusal provision written into CMHC contracts so that more housing can be provided for Canadians rather than as a means of gaining additional capital funding.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I will take notice of the question and take it up with my minister.

ASSISTED HOME OWNERSHIP PROGRAM—ALLEGED REFUSAL OF ROYAL TRUST AND ROYAL BANK TO RECEIVE APPLICATIONS FOR LOANS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Prime Minister in the absence of the Minister of State for Urban Affairs. Is the Prime Minister aware that the Royal Trust Company and the Royal Bank refuse to receive applications from AHOP applicants, even though they have qualified in every other way, and that the Royal Bank has notified the regional representative of AHOP in Vancouver that he should no longer send applicants for AHOP to the Royal Bank.

● (1450)

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I wonder if the hon. member would repeat the first part of his question. I think I might be familiar with the nature of the problem, and I might be able to answer.

Mr. Friesen: Is the minister aware that Royal Trust Company and the Royal Bank have refused to receive applications from AHOP applicants who have qualified in every other way, and that the representative of the Royal Bank has written to the representative of AHOP in the western region stating that he is no longer supposed to send applicants to the Royal Bank?

Mr. Danson: No, Mr. Speaker, I am not aware of that at all. I am not at all familiar with the situation with regard to Royal Trust. But I have had very extensive discussions with the vice-president, who I believe is in charge of mortgage operations for the Royal Bank, which is participating. There might have been some difficulties with regard to the period of amortization, but I believe that has been worked out, and if the hon. member's constituent would have his manager contact Mr. Peter Carter at the Royal Bank in Montreal, he might be able to have this matter straightened out.

SOCIAL SECURITY

PROPOSED SOCIAL SERVICES ACT—DATE OF CONSULTATIONS WITH PROVINCES—POSSIBILITY OF AGREEMENT ON ADMINISTRATION AND JURISDICTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare with regard to the envisaged social services act. Can the minister advise whether he has lined up a time for meeting his provincial counterparts? There has been some indication that this would happen either in January or February. Is the minister optimistic in terms of an agreement being reached at that particular time?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in answer to the first part of the question, I will say that it will be next February 3 and 4. The answer to the second part is yes.

[*English*]

Mr. Alexander: In an article in the *Globe and Mail* of December 9 the following is stated:

> Mr. Lalonde said earlier he expected the proposals for a new Social Services Act separating income security from social services will be accepted by provincial welfare ministers at their next conference in January or February and passed in Parliament by the end of 1976.

If those remarks are true, is the minister now stating that there has been agreement in the interim with respect to administration costs, jurisdictional problems and administration? Has there been agreement in the interim so that the minister can be optimistic, if indeed those are his words in that press report?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I have consulted all the ministers of social welfare of the country during a recent tour of the provinces. I have every reason to believe that the jurisdictional or administrative problems which might arise in respect of a new law on social services have been thoroughly resolved, and I have no reason to think that any particular difficulty will surface in these two areas at the next meeting.

* * *

[*English*]

NATIONAL ENERGY BOARD

ALLEGED CHARGING OF SOME OPERATING COSTS TO ENERGY SUPPLIES ALLOCATION BOARD—GOVERNMENT ACTION

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Prime Minister. It relates to the Auditor General's report which indicated that the National Energy Board toward the end of its 1974-75 year charged $90,000 of its operating costs to the Energy Supplies Allocation Board, which was a clear attempt to circumvent the control of parliament on spending. I should like to ask the Prime Minister, in view of the fact that this is in contravention of the Financial Administration Act and the Criminal Code in the area of criminal breach of trust, whether he will refer this incident to the Department of Justice for a legal

opinion as to whether the parties involved and responsible should be prosecuted.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will look into the matter. I have some cause to be sceptical about the question as stated by the hon. member.

Mr. Bawden: In view of the fact that the Minister of Finance was in charge of the area which governed the National Energy Board at the time of the fraudulent conversion, will the Prime Minister say whether he will take steps to ensure that when looking into this matter it will be on an impartial basis, and will he assure the House that the facts which come out are brought before the House so that the House can judge how this was conducted?

Mr. Trudeau: As the hon. member knows, the matter was referred yesterday to the Standing Committee on Public Accounts, and whatever facts he wants to ascertain he can do so at that committee.

* * *

URBAN AFFAIRS

UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS—ATTITUDE OF VANCOUVER

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Was the minister able to persuade the mayor and council of Vancouver to agree that the United Nations conference on Human Settlements should go on as planned?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I did not attempt to persuade the council. I thought that would be presumptuous for a federal minister. I pointed out that we respected their views on a moral issue, and indeed, shared many of them, but we gave our reasons for not being able to accede to their request. I understand, however—and this is on hearsay—that last night the council reversed its decision and now is welcoming the conference, as is the community as a whole.

Some hon. Members: Hear, hear!

* * *

POST OFFICE

INQUIRY WHETHER POSTMASTER GENERAL INFORMED OF ANTI-INFLATION BOARD DECISION—POSSIBLE APPEARANCE OF POSTMASTER GENERAL BEFORE BOARD

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to direct a question to the Postmaster General in the hope of clarifying some of the information which has been floating around today: first, that the Anti-Inflation Board has been in contact with the union; second, that the Prime Minister said there had been contact between the Anti-Inflation Board and some members of the cabinet; and third, that the Anti-Inflation Board said earlier today that it would be making an announcement later today. The Postmaster General in his earlier response hid behind the word "official". In view of these alleged facts I ask the Postmaster General if there has been any contact between the Anti-Inflation Board and himself, and if so, what was the information imparted?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, there has been absolutely no contact, officially or unofficially, between myself and the Anti-Inflation Board. I repeat what I have said all month, and that is that I would be pleased to appear before that board, if it were found necessary by the board, to help clarify certain portions or parts of the collective agreement which the board may feel needs clarifying, particularly on behalf of the labour movement. I think that is precisely what I said in an earlier response to the right hon. gentleman.

Mr. Stanfield: Just honourable.

Mr. Mackasey: The hon. member can read what he wants into it. I am unaware of any official statement by the Anti-Inflation Board. I simply indicated that there were other duties and suggested that they have a lot to keep themselves busy with.

Mr. Clarke (Vancouver Quadra): In view of the remarks of the Postmaster General just now, I should like to ask if he has made an official offer of an official request to appear before the Anti-Inflation Board.

Mr. Mackasey: No, Mr. Speaker, for the very simple reason that as the hon. gentleman knows—or as I just tried to tell him—there has been no communication, officially or unoffically, between myself and the board. To the best of my knowledge there is no official statement by the Anti-Inflation Board. Perhaps that is why it is having a press conference later in the day. These questions are all based on speculative stories which have been appearing in the press. I simply repeat what I have been saying all along, that I offered officially, with regard to this collective agreement, to appear before that board and to help clarify any areas of ambiguity which the board feels may or could result in a negative reaction to the settlement.

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GOVERNMENT ADMINISTRATION

POSSIBLE RELOCATION OF DEPARTMENTS IN MONTREAL—REQUEST THAT ATLANTIC PROVINCES BE GIVEN CONSIDERATION

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is addressed to the Prime Minister. Is there any truth to the report that certain federal departments are to be relocated from Ottawa, the nation's capital, to Montreal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know of no department moving to Montreal but the hon. member knows that it is part of the policy of the government to decentralize the administration of the government to various regions of the country so far as possible. That is the reason for instance, that certain services of the Department of Supply and Services were established in the riding of the hon. member for Matane some months ago. That is why the Mint has been decentralized to Win-

nipeg, and the government will continue to follow this policy of decentralization.

Mr. Jones: Is there any consideration being given to relocating or decentralizing some departments or offices to the Atlantic province?

Mr. Trudeau: Decentralization comes under the President of the Treasury Board. He is the one who discusses this at the suggestion of various ministers, and I can assure the hon. member that the government is hoping to decentralize its services to many parts of the country. Of course, the Maritime provinces are prime candidates for consideration.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND ORGANIZATION

Fourth report of Standing Committee on Procedure and Organization—Mr. Sharp.

● (1500)

AGRICULTURE

Thirteenth report of the Standing Committee on agriculture—Mr. Daudlin.

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

VETERANS AFFAIRS

On the order: Motions:

December 2, 1975—Mr. Knowles (Winnipeg North Centre):

That the seventh report of the Standing Committee on Veterans Affairs, presented to the House on Thursday, June 12, 1975, be concurred in.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, at the next sitting of the House.

Mr. Diefenbaker: Mr. Speaker, I rise on a point of order on a question that is of interest to all Canadians who love freedom, and in particular those of the Canadian race who placed before me this afternoon a memorandum concerning six women, whose names are given, who are imprisoned in labour camps in the U.S.S.R. and who have committed no offence. These Canadians of Ukranian origin would have been tremendously interested if they had been here today to see the reaction of the members of the Liberal party against reference of a matter like this—

Some hon. Members: Shame, shame!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Unfortunately the members cannot be identified because of the numerous groups apparently joined together against a perfectly responsible and reasonable request that I made to the Prime Minister (Mr. Trudeau) who, in the absence of the Secretary of State for External Affairs (Mr. MacEachen), has a large responsiblity, if not the largest of all, for External Affairs.

These Ukranian people are on Parliament Hill today because it is Human Rights Day for purpose of asking why it has been, that having brought this matter to the attention of the government on December 2 and asked that the matter of the women imprisoned as political prisoners be brought up during the third committee debate at the United Nations, the Canadian delegation did not raise the matter even though telegrams had been sent and appeals made. Nothing was done.

The answer given by the Prime Minister—the pretended answer was one that I wish people of Ukranian origin across this country could have heard and have seen his conduct when he gave it—

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. Diefenbaker: —when he gave that irresponsible answer to the question I raised. Mr. Speaker, I did not know that disorder ruled in this House.

Mr. Speaker: Order, please. The right hon. member for Prince Albert (Mr. Diefenbaker) has the floor on a point of order. Since last Easter it has been the procedure that points of order to be raised during the question period should be deferred until three o'clock. The right hon. member for Prince Albert has been given the floor under that procedure to raise a point of order. With all due respect, however, I must caution him, as he must well know, that at this time if it is simply a criticism of the Prime Minister (Mr. Trudeau) for his conduct in answering or failing to answer a question, that is not a point of order. I would therefore ask the right hon. gentleman to state his point of order.

Mr. Diefenbaker: Mr. Speaker, the question was directed to the Prime Minister and his reply was a surreptitious exhibition of this kind of answer. Instead of giving an answer the question was turned over to the parliamentary secretary to answer.

Some hon. Members: Hear, hear!

Mr. Gray: And very well indeed.

Mr. Diefenbaker: With great respect to her fine ability—and I mean that most sincerely—parliamentary secretaries have no authority to speak for the Government of Canada.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I asked what the government's policy is. This practice has been going on for several months and it is something that cannot be permitted. It is not permitted in the mother of parliaments—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The groans over there indicate a lack of knowledge regarding parliament.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Parliamentary secretaries may deal with routine matters, but on questions of policy as important as this one, concerning the freedom of the individual, the only person who can answer in the absence of the Secretary of State for External Affairs is the Prime Minister, or an acting minister.

The point of order I want Your Honour to consider is that parliamentary secretaries, having no responsibility or connection with the cabinet in any way, cannot answer for government policy or with respect to those matters encompassed by government policy.

Some hon. Members: Hear, hear!

[*Translation*]

Miss Bégin: On the same point of order, Mr. Speaker.

Mr. Speaker: The hon. Parliamentary Secretary to the Secretary of State for External Affairs rises on a point of order.

Miss Bégin: On the same point of order, Mr. Speaker, I would like to make some clarifications. I am even tempted to call this a question of privilege since a strange situation exists from the fact that I am a female member of parliament and there is talk about the status of women in other countries, but I will not deal with that. On the same point of order, I want to state that, although the role of a parliamentary secretary may not be very well defined yet but will eventually be over the years, the fact still remains that I took an oath of office and limited myself to the answers which come under the functions of the minister whom the right hon. Prime Minister (Mr. Trudeau) called upon me to assist. I would like to state that the multiculturalism policy is a known government policy for which a minister is responsible. It was implemented by this government and I did not broach the subject, thinking that the whole House knew it quite well.

Our human rights policy in that respect is just as clear. I answered what I think is not a routine question but a question of representations by a group which fits perfectly in the functions of a parliamentary secretary. I said and I can say the name of the person representing the group of women who will be coming to see me in 20 minutes if I can leave the House. I told Mrs. Hélène Dubois as soon as contact was made with my office that it would give me great pleasure to receive this afternoon the delegation she heads. It is not my fault if the object of the representation was communicated first to the opposition. I want to assure the right hon. member for Prince Albert (Mr. Diefenbaker) that it is within the functions of parliamentary secretaries to do what I did.

[*English*]

Mr. Speaker: Order, please. The right hon. member for Prince Albert has raised a point of order concerning the rights of parliamentary secretaries giving answers to questions that have been put to ministers specifically. In this particular instance it may be recalled that the question was put by the right hon. gentleman to the right hon. Prime Minister. The right hon. Prime Minister made an initial response to the question and then in turn referred the response to the Parliamentary Secretary to the Secretary of State for External Affairs (Miss Bégin). I would rather believe that that practice having been followed in this particular instance, it would be impeccable. The larger question has been raised, however, as to whether parliamentary secretaries in general have the power to respond for their ministers in their absence, particularly in respect of large policy questions which have been raised.

I know the matter has been considered in the past, but naturally I do not have the precedents involved at my fingertips for consideration. I would therefore like to take an opportunity to review them before making a larger pronouncement on the question.

Mr. Trudeau: On the same point of order, Mr. Speaker, if you are going to consider this matter I would just make a remark. We would gladly be guided by Your Honour's decision in the future on this particular matter, but when studying the representation of the right hon. gentleman if you follow his suggestion of referring to the mother of parliaments, I would urge that you look at the situation there, Sir, and see that the ministry is much larger and of course the parliamentary secretary does perform a different role. We could avoid this by naming parliamentary secretaries to the positions of junior ministers as is the practice in the United Kingdom.

● (1510)

I suggest, Mr. Speaker, that if the right hon. gentleman wants to refer this to the mother of parliaments, as he puts it, it would be more reasonable to follow the practice there. The Prime Minister only appears in the House to answer questions every fortnight or so; again, these are written questions.

Mr. Diefenbaker: Twice a week.

Mr. Trudeau: Mr. Speaker, if this were the situation, I should certainly be prepared to answer all questions, if they were written in advance and I had to come into the House only once a week or every two weeks.

Mr. Lambert (Edmonton West): The Prime Minister in the U.K. does this twice a week.

Mr. Trudeau: If we are to refer to the situation in the U.K., Mr. Speaker, I hope you will look at the total picture. I am sure you will.

Mr. Baker (Grenville-Carleton): Mr. Speaker, apropos of what the Prime Minister (Mr. Trudeau) just said, it is apparent, quite apart from remarks he made about the British parliament, that he has reserved to himself the right to make further submissions on this matter. If he is to be allowed an answer, I hope that we too will be permitted to answer and that there will be a full discussion before Your Honour rules on the point.

As to the Prime Minister's comment about parliamentary secretaries answering questions on behalf of ministries regardless of their size, let me say that perhaps this point is directed more to the competency of a ministry than its size.

Mr. Speaker: I assure all hon. members that before I make any ruling which could interfere with the practice

established for many years by this House, I shall certainly allow ample opportunity for further discussion.

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TRANSPORT

TABLING OF ORDER IN COUNCIL APPROVING ST. LAWRENCE SEAWAY AUTHORITY CAPITAL BUDGET

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on behalf of the Minister of Transport (Mr. Lang) I should like to table in both official languages order in council P.C. 1975-2780 dated November 25, 1975, approving the capital budget of the St. Lawrence Seaway Authority for the period January 1, 1975, to December 31, 1975, that was laid before parliament for the additional period from January 1, 1976, to March 31, 1976.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I trust there will be no objection if I announce the questions on the order paper to be answered.

Mr. Baker (Grenville-Carleton): Not as long as you do it correctly.

Mr. Blais: Mr. Speaker, the following questions will be answered today: 3,244, 3,486 and 3,556.

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

[*Text*]

NATIONAL DEFENCE—PROVISION OF RUCKSACKS

Question No. 3,244—**Mr. Reynolds:**

1. Does the Manitoba Tent and Awning Company have a monopoly on the provision of rucksacks as contracted by the Department of Supply and Services on behalf of the Department of National Defence?

2. In the past five years, how many rucksacks have been purchased by the Company and what have been the costs incurred?

3. On what date was authorization given for the purchase on October 4, 1974, of 7,631 rucksacks from the Manitoba Tent and Awning Company?

4. Were militia units of the mobile command of DND issued rucksacks prior to October 1974?

5. In June 1974, was there any knowledge that rucksacks to the militia units mobile command would be requisitioned?

6. How often does the Department of Supply and Services provide market trends on a commodity group basis to material managers of departments and agencies?

7. What is the cost of providing this information to the material managers within DSS?

8. Do these market trends forecast market price increases and consider inflationary spirals on goods and commodities?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Supply and Services and National Defence as follows: 1. No. Tenders are invited for each requirement from every known source of supply.

2. In the past five years, DSS has contracted for the purchase of 38,590 rucksacks from Manitoba Tent and Awning Company with a total value of $960,823.88.

3. September 13, 1974.

4 and 5. Yes.

6. Once a year. The information is based on the industrial knowledge and buying experience of DSS during the year and is the subject of a letter circulated to Federal Government departments and agencies.

7. The cost is minimal.

8. Yes, the letter endeavours to forecast market price increases.

SEASONAL CAPITAL WORKS FUND

Question No. 3,486—**Mr. Hnatyshyn:**

From October 1974 to October 1975, what projects have been approved by the government under the winter capital works fund for the Constituencies of (a) Saskatoon-Biggar (b) Saskatoon-Humboldt and, in each case (i) what are the details (ii) what are the locations (iii) what amounts were involved?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is: (a) (i) Board of Saskatoon (West) School Unit No. 42, additions and renovations to a school. (ii) Asquith School, Asquith, Saskatchewan. (iii) Estimated total construction cost of $410,278. Federal loan approved $68,750. (b) (i) Board of Education, St. Paul's Roman Catholic D.S.S. No. 20, additions and renovations to schools, and new school construction. (ii) Cardinal Leger School, Saskatoon, Saskatchewan, St. Patrick's School, Saskatoon, Saskatchewan; East College Park School, Saskatoon, Saskatchewan; Bishop Klein School, Saskatoon, Saskatchewan; Holy Cross High School, Saskatoon, Saskatchewan; E. D. Feehan High School, Saskatoon, Saskatchewan. (iii) Estimated total construction cost of $1,307,984. Federal loan approved $365,000. It should be noted that the closing date for receipt of applications from the provinces under this program was September 30, 1974. Including the above two projects, the total number of applications received from the Province of Saskatchewan and approved for both constituencies is as follows: Saskatoon-Biggar—fourteen projects, with an estimated total construction cost of $5,159,747, involving Federal loans totalling $943,504. Saskatoon-Humboldt—nine projects, with an estimated total construction cost of $4,833,897, involving Federal loans totalling $1,057,667.

MIRABEL AIRPORT—INDOOR CAR PARKING FACILITIES

Question No. 3,556—**Mr. Reynolds:**

1. Is there an indoor parking facility at the Mirabel Airport and (a) if so, how many cars will it hold (b) if not, are there any plans to install one?

2. Are there any plans to install an indoor parking facility at Terminal 2 in the Toronto International Airport?

3. With reference to the answer to question No. 3,176, which stated that at Vancouver International Airport the feasibility of a parking structure was being studied, is the Minister of Transport aware that Air

Canada presented a report to the Department of Transport some years ago regarding indoor parking at the Vancouver International Airport?

4. Did a private parking corporation make representations to the government regarding the installation of an indoor parking facility at the Vancouver International Airport?

Hon. Otto E. Lang (Minister of Transport): 1. Yes. Mirabel's three level parking structure, with two levels covered, has a capacity for 2,500 cars.

2. Yes. Construction has commenced on the first module of a five level parking structure for Toronto's Terminal 2.

3. Neither Transport Canada nor Air Canada have been able to identify the report referred to in connection with indoor parking at Vancouver International Airport.

4. Yes. In 1973 Transport Canada received a proposal for indoor parking facilities at Vancouver Airport. The proposal will be considered during Transport Canada's feasibility study for a parking structure.

MOTIONS FOR PAPERS

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CITIZENSHIP ACT

MEASURE TO ESTABLISH CONDITIONS AND PROVISIONS GOVERNING CITIZENSHIP

The House resumed from Monday, December 8, consideration of the motion of Mr. Faulkner that Bill C-20, respecting citizenship, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, when I called it ten o'clock last Monday I had been complimenting the President of the Privy Council (Mr. Sharp) for his sense of history and timeliness in bringing forward this legislation so close to Christmas. I think this shows his great wisdom, as I am sure the Secretary of State (Mr. Faulkner) will agree.

I was about to compliment the Secretary of State for including in this bill recommendations of the Royal Commission on the Status of Women. We have, over the years, treated our women with benign neglect, if I may quote from another public document on the status of women. We have neglected them in the work force, in the community,

neglected their education, and not given them their just opportunities. These remarks are pertinent at any time, not merely in International Women's Year. Therefore this bill represents a significant and commendable step forward on the part of the government. I commend it for adopting at least part of the recommendations of the royal commission.

The bill improves the position of husbands or wives of Canadian citizens and their children. Indeed in that regard this bill is a significant advance and brings the law into line with thinking in the community.

The bill deals with something else important, to which the minister referred in passing, the question of the British subject. I think it is correct to say that, by virtue of this bill, we are to treat those who are not British, and not member of the Commonwealth of Nations, in the same way as we treat British subjects. On May 21 the minister dealt with this matter when he said, as reported on page 5985 of *Hansard*:

> ... a British subject ... is not questioned on his knowledge of the responsibilities and privileges of citizenship. He is not tested on his knowledge of the English or French language. No interview is conducted to determine his character. He does not appear before a judge to take the oath of allegiance unless he himself requests it. Normally, he simply takes the oath before an examiner at the time of application.

By that statement the minister implied that we were wrong to treat the British subject differently. But I suggest there was good reason for treating him differently, as I suggested previously. The British subject, by virtue of the accident of history, birth, geography, and familiarity with traditions, was aware of our basic institutions, of our parliamentary system which, basically, was and still is modelled on the British system. So there was some justification for treating him differently. Yet the minister seemed to question this practice. From my reading of his speech, and the bill, the minister seems to think there should not be that difference.

The Minister does distinguish between those from Commonwealth countries and those from non-Commonwealth countries, as the bill refers to citizens of the Commonwealth. Perhaps in that he is saying he does not completely move away from the position that there is a matter of tradition, training, background, and education in Commonwealth countries which would not make it alien for special consideration to be given to those people.

We must bear in mind that many people who come to this country have enjoyed the British parliamentary system, British justice, and other protections of the law as a matter of tradition. An advantage is enjoyed by the citizen from Great Britain, a Commonwealth country, or any other democratic country, English or French speaking, in terms of the necessity of absorbing new traditions.

● (1520)

We briefly touched on the question of the potential one-year credit for what might be termed, in parentheses in the sense of the Citizenship Act, legal residence in Canada. I did not deal with the question of the three or five-year period.

I reviewed the minister's speech of May 21, 1975, to see if there was anything other than a sense or principle of

arbitrariness that could apply equally to the three or five-year period. In his speech he indicated that it was his feeling, not a matter of principle, that the three-year period was less arbitrary and less unfair than the five-year period. I take it that was the government's feeling as well.

I will be most interested in the comments made before the committee. I hope that not merely native Canadians will have a chance to appear before the committee. I would like to hear some groups representing new Canadians, immigrants and landed immigrants. They should give evidence not only with respect to this bill but with respect to the three or five-year period.

In the course of representing my constituency in this matter, as well as the matter to which I alluded a few days ago, I come in contact with groups of people who have recently come to Canada. Some are first generation, some second generation, and some landed immigrants who are not yet citizens. They have spoken to me about the three-year period as opposed to the five-year period. I think these people are representative of groups to be found in any part of Canada. They had a mixed view with regard to the shortening of the period of time. I thought it would be otherwise, but that was their view. Some felt that the three-year period would be alright. As I said, these are not native born Canadians, but landed immigrants and others.

One woman who spoke to me said that she regarded citizenship as something very precious. She only recently received her citizenship. She regards this as something that was earned, not only through good behaviour and staying outside the criminal courts, but through knowledge and a number of other things. I would not have paid too much attention to that view except it came from a particular person for whom I have extremely high regard.

I ask the minister to instruct his colleagues on the committee that will deal with this matter to give the widest possible scope to the representations that will be made by the various ethnic groups. If the three-year period is sound, it should be adopted. However, if there is some question about it, particularly among the groups that I have mentioned, and indeed generally in the country, we should listen to those views before making up our minds.

I want to deal now with something the minister dealt with at page 5985 of his speech. It is with regard to the proposed change in the requirement that an applicant be of good character. As I understand the minister's argument, he feels this is not measurable. When dealing with these matters, the minister felt it would be better if we had something that was measurable such as criminal behaviour, a breach of the Criminal Code, or a breach of the Narcotic Control Act. Evidence of a perpetual inability to abide by the law, even though it might be small in terms of the wrong that would be committed in the normal sense, would be something measurable. It would be a record to which the minister or someone else could point.

On the face of it this sounds pretty good. However, there is something which concerns me. I believe this provision is a calculated—and I do not use that word in the wrong sense—downgrading of the citizenship court. It will make that court nothing more than a rubber stamp.

I am sure the minister's field of knowledge goes far beyond that of mine, but having regard to the calibre of the men and women who make up our citizenship courts, their devotion to their discretionary duties under the act, and the good record which the citizenship court enjoys, this downgrading is unfortunate. What is really being said is that citizenship will only be granted in terms of those things that are measurable.

I think the minister wants to be fair. However, in trying to codify the law, giving it parameters that are geometrically ascertainable, he is depriving the citizenship court of a very important jurisdiction that is not within the parameters of the bureaucrat to decide. His answer is going to be, "Well, in certain cases we have ministerial discretion." I do not mean any disrespect to the minister or his colleagues in this context but how better is the minister fitted to exercise discretion than the courts? The ministry is political. There is nothing wrong with that.

● (1530)

Mr. Nowlan: It is paralyzed.

Mr. Baker (Grenville-Carleton): My hon. friend says the ministry is paralysed. I think there is some evidence that that is so. But aside from the paralysis there is a political aspect to decisions which are made by a cabinet, by a ministry, or by an order in council. That is a fact and I am not arguing with it. The one thing a citizenship court can do in terms of the real difficulties which face a person who may not be able to obtain citizenship is at least to give the appearance, and I suggest, the substance of maintaining impartiality. I hope the minister will consider this in relation to the removal from the citizenship code of those words "of good character" which could allow a judge, perhaps, to look behind certain of the documents presented as to a person's behaviour and find in that person's favour. As we try to protect ourselves on one hand we may do damage to the cause on the other.

What is wrong in a society which is opening its doors to people who are qualified under its rules, saying that you must establish yourself in terms of the language, the government, and all these other things we recognize? You must show, as the minister says, that you have not breached the Criminal Code, that you have been a good citizen with respect to that. What is wrong with reserving to, really, the people of Canada, whether native-born people of Canada or people who have come here as immigrants and have become citizens and have elected a government—what is wrong with reserving to them and their government, or perhaps better a citizenship court, an inquiry in the right place with respect to this whole intangible of good character?

The government in this bill is attempting to take discretion away from the citizenship judge. I believe this is the effect of it. It is becoming a bit more like a rubber stamp and we are substituting therefor in essence a ministerial discretion. I think the end the minister is probably trying to achieve in this bill, to evidence fairness, would be better served if that discretion were left with a body or organization which could not be termed political even by the most dishonest among us.

This is why I feel very strongly that the judge should not become a rubber stamp, and that the government and the machinery established by the government, that is to say

the citizenship court, ought to have the right to look into the question of good character.

I have an instance that came to me, which brought this home to me as an important omission from this bill, namely, the reservation to someone in authority of the question of good character. There is a constituent of mine who has two children, both of them girls. There is a person living in my constituency who is, in effect, watching and besetting those two girls. That man has never committed a criminal offence. The girls know it is happening, the father knows it is happening, the police now know it is happening, and I know it is happening.

They may never get a conviction against this person, who is a landed immigrant, yet in my judgment, and I think in the minister's judgment if the case were brought before him, or in the judgment of a citizenship court, while he has not contravened those parameters in which the minister is interested, any right minded person would say that that person is not fit to be here. It was perhaps a mistake to allow him here in the first place, though I think not from checking the records. But having come here, he is not a proper person, if we have a choice, to whom citizenship ought to be granted. That is the kind of case which has come to my attention in support of the submission that there is a case to be made for the vesting of power in somebody that would appear to be impartial. I understand the reason behind this omission, and I want to make that clear to the minister. But I really think it is important, and that it is one which ought to be considered.

I shall quote the minister again. I do not disagree with what he said. He said, as reported at page 5986 of *Hansard:*

> Canadian citizenship enables one to do several things: to vote, to run for public office, to carry a Canadian passport, to exercise certain activities where citizenship is a statutory pre-requisite.

Then he went on to deal with intangibles. I must say I think citizenship carries with it something far beyond those things, and far beyond the sense of belonging to which the minister later alluded in that portion of his speech. I think citizenship carries with it not only activities that the new citizen is enabled to engage in as a result of citizenship, but carries with it obligations that the new citizen, as well as the older citizen, owes to his community in terms of behaviour. I think it is not unreasonable that provision ought to be there in the law of the receiving country for recognizing judicially a "man of good character" in that broad sense. While admitting that mistakes may be made from time to time. I think it is not unreasonable to ask the minister, when it comes before the committee, whether or not that ought not still to be in the bill.

I do not want to take up the time of the House any longer. I want to thank the minister for being here. He was here the other evening when I spoke; I merely want to reiterate the importance citizenship courts have in the scheme of things, and the fact that I regret very much they seem to be downgraded somewhat in the legislation. The experiment with respect to citizenship courts has been a relatively short one, and I wonder if the ministry is not being perhaps a bit premature in terms of the judgment it is making with respect to them.

• (1540)

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I want to put on record a few remarks on this bill. As everyone knows, it was introduced in the House and given first reading in October, 1974. It came on for second reading late in May of 1975 and we are now continuing that stage before passing it on to committee. I do not know what the urgency is, but at any rate we are dealing with the bill today.

This bill contains certain positive points with which I very much agree—for instance, equal treatment of men and women. For example, an alien wife or the husband of a Canadian citizen wanting to gain citizenship will be subject to the same waiting period, and this is a good feature of the bill. A father or mother can apply to register a child as a Canadian citizen; derivation of citizenship can come from either parent. This is another excellent point for which I commend the minister. Another positive step is the reduction in the age of eligibility for citizenship from 21 years to 18. I have personally become acquainted with this sort of situation many times in cases where the parents have separated. The father can not be found or his permission can not be obtained, and this is another good feature in the bill.

There are some other provisions in the bill that I hope will be closely examined in committee. I say hope because I am becoming somewhat frustrated with the gerrymandering of the committees of this House. If we do not take hold of the situation in the new session, I think the whole committee system will go down the drain.

While I am discussing the provisions of the bill I might make reference to clause 33(1) in Part VIII dealing with the status of persons in Canada. This clause provides:

> Real and personal property of every description may be taken, acquired, held and disposed of by a person who is not a Canadian citizen in the same manner in all respects as by a Canadian citizen; and a title to real and personal property of every description may be derived through, from or in succession to a person who is not a Canadian citizen in the same manner in all respects as through, from or in succession to a Canadian citizen.

The rights of owners of personal property who come from another country is a very delicate subject. I am well aware that many Canadians own property in countries other than Canada, so there is a reciprocal factor here. The provinces are very much aware of the problem. Indeed in my own particular riding, as a matter of fact in the town I live in, a whole block has been held by a citizen of Portugal for something like 10 years; the place is a shambles and the town is powerless to do anything about it. The owner of the property is always delinquent in his taxes, but just when the town is ready to seize his property for non-payment of taxes he pays a few back taxes and the same thing starts all over again. This sort of thing has been going on for about 10 years. He even threatened the town with law suits when it passed certain by-laws pertaining to commercial buildings, claiming that the by-laws inhibited him in developing the property.

Sooner or later this is an area about which we will have to take a firm stand. There are numerous instances like this in various parts of the country that I have come across; property is held and held and held, and nothing can be done about its appearance. In the instance I have cited the

town is called upon to inspect the property, to close up doors that have been broken into, repair windows and that sort of thing, yet it is powerless to take action.

Several hon. members who have spoken in this debate have referred to clause 5 of the bill. I think unfortunately this particular clause has either been misread or misinterpreted, because I gather from the remarks of some members that they are under the impression that if a person is in Canada illegally and he subsequently becomes a landed immigrant, half of the time he was here illegally counts towards citizenship. That just is not so. I think a clear reading of the clause indicates that the maximum time he can count toward citizenship is one year. It is unfortunate that so much emphasis has been put on this point. It is not entirely clear from the way the clause is written, and it could probably have been drafted a little better than it is. It could have been couched in clearer language with perhaps an explanatory side note, but that is not the case.

One aspect that exercises me about the question of citizenship is that it is not tied in with immigration. I think we all agree that we should go back to the old system where citizenship and immigration were in the same department. I do not think they should ever have been separated; the two are interlinked. Examination of the various speeches on this subject in the House invariably reveals that immigration is discussed along with citizenship.

I believe at one time the government had an immigration resettlement program. I do not know what happened to it, and I recognize there are difficulties in directing people where they can and cannot go. But at the present time tremendous pressure is being put on the larger municipalities, basically those in Toronto, Montreal, and Vancouver where the bulk of immigrants to Canada seem to settle. Tremendous pressure is put on housing requirements and services in the municipalities, as well as upon the educational system.

I was talking to the mayor of Toronto some months ago and he mentioned that something like 50 per cent of the children of immigrants going into the public school system for the first time had either a poor knowledge or no knowledge of English. I am not saying that is their fault, but we must bear in mind that the municipalities are trying to handle a problem that results from the federal government's immigration policy.

I am fortunate enough to have travelled rather extensively throughout the world. At the last count I had visited, I think, 35 different countries, some under totalitarian governments. I am always glad to get back to Canada, and I am very proud of my country and of my Canadian citizenship. While abroad I have been approached, as I am sure members on all sides of the House are when they travel abroad, by people who want to come to Canada. They ask how they can get to Canada, what I can do to get them here, and how they can become a Canadian citizen.

Looking at some of these people, Mr. Speaker, you cannot help but feel compassion for them. Some of them came in contact with missionaries from Canada when they were children; they were educated by missionaries, and on reaching adulthood found they were isolated from their own citizens in their own country. They see the advantages and privileges we have in this country, and there is a desire on their part to come here. By and large we have a reputation for tolerance, for freedom, and for freedom of expression, and we certainly do not want to change that.

● (1550)

We must look carefully at this matter of citizenship. The suggestion of reducing the time from five years to three years is one that bothers me greatly, particularly when I look at what other countries are doing, and I think that is a proper thing to do. We see that Britain has a five-year waiting period; the United States has a five-year waiting period; France has a five-year waiting period; and in Belgium under some circumstances the waiting period is up to ten years; West Germany has shorter periods, but the shortest is five years; Sweden has a ten-year waiting period; New Zealand has a five-year waiting period for British subjects; and I believe Australia has a three-year period for British subjects, with a longer period of time for others. When we get the bill to the committee we should look very closely and carefully at what other countries are doing before reducing this to three years. Certainly this is one point that bothers many members on this side of the House.

I have had some objections, like the hon. member who spoke on the matter earlier, expressed by people who have come to Canada as immigrants and have obtained their citizenship after five years, or as they put it, they have earned their citizenship, and they feel somewhat hurt that now someone may possibly come to this country and meet all the criteria, and obtain citizenship in three years.

There are many points that we can discuss in respect of this bill, but the one thing that really concerns me is what will happen to the bill when it goes to the committee. We have seen a great deal of manoeuvring in committees since the last election and many of us are becoming concerned. On a number of occasions when we have attempted to take a vote which may have gone against the government, the government members have left the committee in order that there would not be a quorum. I think that is deplorable action on their part.

We have also seen quite a bit of manoeuvring by the steering committees. On occasion when the members of a steering committee have decided on a course of action for the committee, when the committee itself meets someone has moved a motion to set aside the recommendations of that steering committee, substituting another recommendation—in fact exercising a form of closure or guillotine on the committee by requiring it to report back to the House within a certain time period. There have been numerous occasions of this in the past several months.

What will happen if this sort of thing continues is that when bills return to the House they will be the subject of amendment after amendment after amendment. This will frustrate our procedures. The purpose of a committee, as I understand it, is to find the facts and make recommendations to the House. Committees are charged by the House of Commons with the responsibility of eliciting information, examining the legislation, and recommending a course of action. This is not what is happening.

There are so many important aspects of this bill I am wondering just what will happen when it reaches committee. Will it receive the same kind of treatment as other bills

in the past, or will the government see the error of its ways and allow the bill to be considered by the committee unhampered by this kind of manoeuvring? Will the committee be allowed to obtain information from witnesses, from ministers, and from interested parties in all segments of society on this important subject?

I cannot understand the urgency of reducing this waiting period for citizenship from five years to three years, but I am prepared to be convinced that this should be done. If someone can present good arguments, and I believe some hon. members have some, I will certainly be prepared to listen to them. I have listened to those who have spoken so far and I have read many of the speeches, but I still feel we should maintain the five-year period.

After listening to the remarks of the minister the other day I felt there were circumstances in which the waiting period should be reduced. The minister referred to a student who had been here for a number of years studying in this country, and I think such a case would be valid in respect of reducing the time period. This is one of the things we should be allowed to consider.

I sincerely hope that when we get the bill to committee we will not witness political manoeuvring. I hope we will not see a great deal of movement on the government side toward the guillotine, forcing the committee to report back to the House by a specific date. The committee should be allowed full range to discuss all segments of the bill and to call witnesses. Perhaps it would be of value to call some of the citizenship judges from around this area, if that is convenient. They could come before the committee and give us the advantage of their experience.

That is about the sum and substance of what I have to say, Mr. Speaker. I am glad to see some parts of this bill. There are some positive steps suggested, and I commend the minister for bringing those suggestions forward. At the same time I have reservations about other clauses of the bill. It is important that we be allowed to examine this bill thoroughly and completely in the committee. If there are some particularly sensitive areas in respect of which we want discussion there is nothing to prohibit us from holding meetings in camera. Let us not gang the committee; let us allow the committee a full ranging and complete examination of this bill, with a full opportunity to express its views in its report back to the House so that this piece of legislation can be a credit to citizenship and something we can support.

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I am very happy to have the opportunity of making a few remarks on Bill C-20 as I think it is a very important bill, for which the Secretary of State (Mr. Faulkner) should be commended.

I believe this is the third day on which we have dealt with Bill C-20 in the House of Commons. In view of that fact, and my feeling that there has been a great deal of discussion so far on this matter, I will limit my remarks to what I think are some of the highlights.

I hope it will not be too long before members on all sides of the House agree that this bill should go to the committee for the kind of careful study it deserves. It seems this is not a controversial bill, although there are several clauses about which some of my colleagues are concerned. Their concerns do not seem to be too serious. I hope we can get the bill into committee as soon as possible, hopefully by the end of this day.

● (1600)

The other night as I listened to my colleagues on the other side of the House, a number of my friends came around and asked me what I thought about citizenship and immigration. I said to some of them that I think it probably is just a little late to ask that question, and that probably they should have asked it of my ancestors. I think they had a tremendously generous immigration policy. It is perhaps a little late in a number of ways. One of my good friends in Kamloops, a former chief, said to me that as he looks across the river and sees that the white man is building a cement basement, he knows he intends to stay here a little while.

The bill before us does some very important things. It reflects the thinking of modern-day people living in a very fast moving world. A number of adjectives have been used to describe this particular bill. The hon. member for Egmont (Mr. MacDonald) described it as progressive. It is a very progressive piece of legislation.

The act we have now came into force I believe on January 1, 1947. It has been amended in a number of minor ways since that time. I think that is quite a long period in which to have such an important piece of legislation on the books without serious amendments.

One of the characteristics of the present law that has bothered me for some time is that it clearly plays favourites. It gives rights to men that it does not give to women. British subjects seem to have a special status. They are favoured over immigrants to Canada from other countries. I am glad Bill C-20 corrects all these inequities in the present law.

I am particularly pleased about the clauses that give women equal status with men. Now when we have gone though the process of having the Royal Commission on the Status of Women, International Women's Year, and other important measures to give equality to women, we wonder how we could have been so dumb. Why did we not do many of these things a long time ago? Many of them are overdue. The report of the Royal Commission on the Status of Women pointed out five ways in which the present act discriminates against women.

As the law now stands the alien wife of a Canadian citizen wishing to become a citizen here requires only one year of residence. The alien husband of a Canadian wife has to wait a full five years. Bill C-20 provides that the husband or wife of a Canadian citizen must only fulfil the standard residency requirement before becoming a citizen.

Women who had married an alien before 1947 lost their citizenship. Most of these people were not even aware that they were no longer classed as Canadians. Now when they apply for a passport they are told that they must first become Canadian citizens. It is easy to understand the consternation of these women who were born and raised in Canada and who have made their own contribution to this land when suddenly they find that this right has been taken from them. These revisions will also correct this injustice.

The act as it now stands only permits the father to apply on behalf of a minor child so that the child may obtain citizenship. This has been changed so that either parent may make such an application. The same arrangement applies for adoptive parents. These are very progressive changes. There are other changes being made to the legislation that are important, but I think so far as women are concerned these highlight the concerns they have had.

The new provision to allow a person to apply for citizenship at 18 years of age instead of 25 years of age also is very progressive. This favourable change reflects the age of voting and the age of majority recognized in most laws of the land.

I should say, however, I am a little disappointed that the inequality in the voting age is not yet corrected in the Indian Act. Indian people still must wait until they are 21 years of age before they can legally vote in the band council elections conducted under the Indian Act. This is an injustice of which I hope the National Indian Brotherhood and other Indian organizations in the country will take heed, and endeavour to correct as soon as possible. I realize the ramifications involved, but I would say to my Indian brothers that this denial of rights to a large number of young potential Indian voters far outweighs any of the commitments that the organizations might have for the long-term plan of changes.

A bone of contention over the years regarding citizenship has been the term "British subject". This has been dealt with by a number of people here with much justification. I always felt uneasy about the term because in no way did I feel I was a British subject.

I can understand how people coming from many other lands must feel. To me the term "British subject" connotes that a person comes from Britain.

Some hon. Members: No!

Mr. Marchand (Kamloops-Cariboo): I am stating my opinion. Do not shout no!

Mr. Lambert (Edmonton West): I protest.

Mr. Marchand (Kamloops-Cariboo): Then protest, but to me it also suggests that Canada is still a colony of Britain. As a person whose roots go pretty far back in this country I feel this is very unfair to people who come to Canada from other lands.

Mr. Lambert (Edmonton West): Surely you do not have such an inferiority complex.

Mr. Marchand (Kamloops-Cariboo): How about the other way; I am sure no one should be treated as superior either. In the present law British subjects wishing to become Canadians must fulfill all the requirements necessary in respect of any other applicant, with two exceptions. First, the British subject does not have to be examined by a citizenship judge and, second, he does not have to attend a ceremony to take the oath of allegiance.

There will no longer be a privileged status for anyone. People wishing to become Canadian citizens will be treated the same regardless of where they come from.

[Mr. Marchand (Kamloops-Cariboo).]

I was surprised to hear some of the opposition which came from the other side relating to the change in the act whereby a person could become a Canadian citizen in three years rather than five years. I must say I do not find any of the arguments put forward very convincing. The hon. member for Provencher (Mr. Epp) and others suggest that immigrants must have an adequate opportunity to adapt in economic as well as cultural and other ways before becoming citizens.

I was particularly surprised when my colleague, the hon. member for Okanagan Boundary, suggested that the only purpose of this change is political motivation by the government which is receiving a considerable amount of representation from newly arrived immigrants who have families in other parts of the world and want them here. I should say that I really cannot see in any way how this could reflect the political motivation of a party or affect the outcome of elections. The real motivation I see behind this change is purely a human one.

• (1610)

It must be a very difficult and emotional experience for people to decide to move from their homeland to another land. This is a very human experience, so I think that once mature people have made the mature decision that they want to become citizens of another country, why should we put them through the agony of having to wait five years? In many cases I feel that people must have made up their minds within three years, and three years is probably too long.

Mr. Epp: Why any time?

Mr. Marchand (Kamloops-Cariboo): Why is there an objection about five years?

Mr. Epp: It is your argument.

Mr. Marchand (Kamloops-Cariboo): This is a very progressive change, and I welcome it.

Some hon. members mentioned citizenship court judges. I have attended ceremonies where citizens have come before citizenship judges, and I want to commend the judges on the very dignified and professional manner in which they handle their courts.

Some hon. Members: Hear, hear!

Mr. Marchand (Kamloops-Cariboo): Some of my colleagues from both sides of the House have been citizenship court judges, and they do a tremendous job. They have played tremendous roles since this position was established. The reference in the bill to citizenship judges enhances their position, and so it should because theirs is a very important role.

In closing I should like to pay tribute to a number of private organizations in various parts of the country which help in the process of citizenship. In Kamloops it is the Soroptimist Club. These women make sure that those who receive their citizenship are made to feel very welcome. They do everything they can to help them adjust and to solve any problems, even after this waiting period of five years.

I am particularly happy to be a member of the Liberal party.

Mr. Alexander: I was listening; now you are spoiling it.

Mr. Marchand (Kamloops-Cariboo): The Liberal Party has a very human and realistic outlook on the way to treat people from other lands. I am particularly happy with the way people who have had special difficulties have been treated. Going back to the Hungarian revolt, I think Canadians responded tremendously well in bringing over people from Hungary when they were in difficulties back in 1956.

I am happy that we as Canadians welcome people from all parts of the world, and I hope that, as we move along with changes in the Citizenship Act and the Immigration Act, many of these basic principles we have discussed will be preserved. We must treat people on an equal basis regardless of where they come from.

Some hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, I rise on a point of order. The hon. member for Kamloops-Cariboo (Mr. Marchand), who has just spoken, attributed remarks I made the other evening to the hon. member for Okanagan Boundary (Mr. Whittaker), and I think he would like to attribute them to me as the hon. member for Okanagan-Kootenay, the constituency in which he was born.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would now like to take part in the discussion on the motion under consideration for the second reading and the reference of Bill C-20 respecting citizenship to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

As a member of the Special Joint Committee on Immigration Policy, I wish to take part in the debate. All the members of that committee have acquired considerable experience travelling throughout Canada to hear those who have arrived here and must wait for years before being accepted.

To situate that problem, I think we must consider that our country interests a lot of people, most of them coming from south-east countries as well as from India and elsewhere. However, we have a problem of which those people are unaware—our cold winter and a much higher standard of living than in their own country. In my opinion, those people do not know what they are getting into when they come to Canada and some had not expected the difficulties they face the moment they arrive or even two or three years later.

Mr. Speaker, in Canada one must first of all secure oneself against those problems by working every day to earn a living. There are however other problems. Immigrant children must attend schools where English or French is the main language. After a few years, they are greatly disappointed because they realize that their children, after having attended school for two, three or four years, learned nothing or almost nothing, are not prepared, do not see things as Canadians do, do not live the same way, etc.

We also have a problem that I consider very serious. The minister responsible for immigration is not also responsible for citizenship. I think both matters should fall under the same department. We have often heard of this problem from witnesses who appeared before the committee, and I agree with those who have to deal with it when they say that it is a major one. That boils down to the same thing. Before an immigrant can obtain Canadian citizenship, the authorities must establish his or her working experience before coming to a decision. The file must certainly travel from one department to the other, and the background information obtained from the Immigration Department is certainly taken into account when the time comes to decide whether or not to grant Canadian citizenship to an immigrant.

One cannot help wonder about those who are living outside the law or those who prefer living outside the law. I am thinking, for instance, of tourists; they come here as tourists and end up finding a job somewhere, either on a farm, or in some manufacture, and when they have found a job, particularly in the area of services, where it is even less personal, for a town or a city, then they tend to change their names or to be less easily identifiable, and after four, five, six or seven years, we have somebody who wants to become a Canadian citizen, but we do not have his itinerary, we do not know where he comes from, what he has done, nothing at all.

● (1620)

The case of students is also well known, those students who are imposed upon us by all kinds of organizations. They come from everywhere and they are imposed upon us by all kinds of organizations, and still the provinces do not have any control over those students. I am referring to college or university students, who are either sent here by some fund, or under exchange programs, etc. They arrive here; they may study for two, three, four or five years. I have heard of some who studied in the university for eight years, they collect degrees, because they do not want to go back home; it is as simple as that. And so, they write to the foundation or the benevolent society which accepts them, especially in the province of Quebec where we are really at a disadvantage in this field. Why? Because they take the place of our own students, as there is not sufficient room for our own students in several universities; those students—I would call them perpetual students—keep on collecting diplomas. That is why I feel that the Department of Citizenship should be amalgamated with the Department of Manpower and Immigration.

There is also the matter of seasonal workers. We now accept seasonal workers in many cases when they cannot be found elsewhere in Canada. For instance, in northern Canada, we took in seasonal workers; now, today those workers have taken root here. Most are good citizens, honest people, and because they now have roots here, they do not want to leave Canada. But under the terms of their hiring contract as seasonal workers the Department of Citizenship cannot accept them as Canadian citizens. We therefore end up with a hodge-podge, a problem. When attemps are made to send them back to their own country, or when they are forced to go back, and all the more so then we have to resort to deportation, they appeal to the

courts, if they have $100 for a lawyer, and appeals follow without end.

I think that these problems are very important and should be dealt with this afternoon. We should consider the minister's idea, and in particular his views, to be able to get rid of all these problems we have with the immigrant.

In Washington for instance, where I went to discuss this problem of immigration, I was very surprised to learn that they receive immigrants they cannot get rid of afterwards. In American terms they describe them as people who jumped over the fence. We would call them people who jumped over the border. They lost control in some southern states, that is to say they have on their territory some people who are not American citizens and who cannot become American citizens because of their status. To begin with, they do not have the first documents allowing them to enter the United States. I think that we will be in a somewhat similar position next year in Canada with the Olympic Games, in the area of Montreal. We should not be the patsies of some people coming here to have a good time, who like the country so much that they want to stay here for ever. This bill has been before the House for more than a year. First reading was September 10, 1974, second reading May 21, 1975. More often than not, we have to discuss in the House economic and social problems confronting the country, but today on second reading of this citizenship bill may we point out a positive element, the fact that we live in a great country.

If these immigrants who came here anxious to become Canadian citizens were more aware of what is going on here—and this is the key to the problem—I think it would be much easier either to leave them in their homeland or to know exactly who those people are, and finally whom we must receive. When immigrants come to Canada, generally they are very glad to see our large horizons, our incredible natural resources, our great production capacity, a young and dynamic people, a short history but full of courage and determination, and above all peaceful nation. We always were peaceful people, most of us respectful of ourselves and others: that is why these immigrants want to stay here.

But when we travelled through the country, particularly in Montreal, Winnipeg and Edmonton, we met many not so quiet people. They are not willing to discuss at length before getting what they want. They would like to become Canadian citizens on their arrival. They would like to enjoy all the privileges of full citizenship a month or two after landing here. It is unpleasant to sit on a committee to hear witnesses who threaten you With their fists and say: We want this, we want that. Those on the committee are not very impressed and we do not feel like accepting them as citizens.

I met a man in Montreal who has been living here for eight years. He is a student. As I said earlier, he is a perpetual university student. He thought people resented him because he was black. He was completely wrong because he was accepted as a Canadian, five years ago, according to the law. But the moment he got his Canadian citizenship, he began to live on the fringe of the law. He told me: Mr. Beaudoin, I did this, I did that, and after all, I am a Canadian, they cannot send me back home, I don't care.

I think we should be cautious when it comes to accepting people like that, if we wish to have a responsible country and preserve the outlook that we all cherish.

This is why I believe the suggestion of reducing the waiting period down to three years is a bad one because for three years an applicant can live on the fringe of society, especially if he is working in a municipal department, and no one can find out about him. Whereas if he has to wait five years for citizenship it is easier to catch him for wrongdoing or trace his file and complete his records and therefore know more about his past.

Clause 10 of the act provides that the minister may, if he deems it desirable, grant a citizenship certificate and so forth. The bill under study provides for the minister to grant citizenship and for each case to be referred to the citizenship court.

● (1630)

I think this procedure makes no sense because if citizenship is granted to an immigrant prior to his appearing before the citizenship court and before the court finds something to kick about or decides to deport him he will appeal to another court or say that it is contrary to human rights, and so on.

I think the law is much too lenient under clause 10.

The 21 judges must make decisions but they cannot decide in a definitive way. Speaking of the 21 citizenship judges the Secretary of State stated on December 9, 1974, before the Calgary Canadian Citizenship Council, and I quote:

> The twenty-one citizenship judges all across Canada play a key role in this area. They work in large cities and tour the centres around those cities as well as remote areas. The new legislation gives them the legal title of citizenship judge. I am sure you will understand that the response of the government to the needs of potential citizens is determined in a large measure by the attitude of the men and women who are appointed citizenship judges.

Here I would like to say as an aside that the minister did point out that knowing whether or not an immigrant should be accepted as a Canadian citizen depended on the formation of the judges, men and women, on their personal training. I continue to quote:

> In their near judicial role, those citizenship judges make decisions about certain specific points set out in the law. For example, they are the ones who determine if an applicant has an adequate knowledge of one of the official languages and if he understands our country well enough to become a Canadian citizen. During the hearings and the ceremonies, citizenship judges act as ambassadors of the Canadian people. They fulfill their traditional task with dignity and enthusiasm and contribute greatly to make the citizenship ceremony a significant symbol of entry into Canadian life. In a larger context, they act as public relations officers and often address schools and clubs to explain the status of Canadian citizens—the rights, privileges and obligations that it entails.

Under Bill C-20, the minister can no longer refuse arbitrarily to grant citizenship, which makes it impossible to use arbitrarily such a power without public or legislative sanction. The governor general however has the power to refuse to grant citizenship, but only if he judges that to do so would be prejudicial to the security of Canada or contrary to public order in Canada.

In my opinion, this is very important since the governor in council will never take this position if he does not have obvious proof that the landed immigrant has become a citizen after the three years provided in the act, if he does not have an obvious proof that this immigrant is an undesirable. But who can give this obvious proof of undesirability? Must the applicant commit an offense under the Criminal Code? How far can this go? This is the question that we must ask.

As concerns the province of Quebec, those who appeared before the committee were reasonable people who seemed to assume their responsibilities. They knew what they wanted to say. For instance, they told us, and I quote:

(a) That any province which receives immigrants may play a role in choosing these immigrants if they wish to live within its territory; this means that the federal legislation and regulations concerning immigration must provide mechanisms for the participation of provincial governments in the selection of immigrants.

(1) That the admission to a province of foreign students be submitted to the approval of the government of this province and not only of the institution or school board concerned;

That permanent consultation mechanisms be established with the government of all concerned provinces in relation to expulsion and deportation procedures;

This paragraph will not be applicable, will have no value if an immigrant becomes a citizen after studying three years in any university. This is why I do not agree on that three year waiting period before granting citizenship. Again I quote:

That the province of Quebec be directly involved in the individual recruiting and selection of immigrants, have access to all immigration requests concerning it and that federal immigration officers consider the advice of Quebec's representative before accepting or rejecting any requests concerning the province of Quebec;

I recognize the value of reasonable and orderly immigration, Mr. Speaker. Our country may have much to give to and receive from immigration but here I should like my comments to show that I am very puzzled concerning the acceptance of some of our immigrants who are today in our country and who should not be here.

There are many immigrants in Canada today and as they have seen here almost five years they will become Canadian citizen but they should never be granted citizenship because they are not ready to become real Canadians. They are not ready to make the necessary sacrifices.

I wish to point out, Mr. Speaker, that real culture is above race considerations and that the scope of genuine nationalism extends beyond frontiers.

Mr. Joyal: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Maisonneuve-Rosemont (Mr. Joyal) on a point of order.

Mr. Joyal: Mr. Speaker, I listened carefully to the comments of the hon. member for Richmond (Mr. Beaudoin) and I did not intend to take part in the debate this afternoon but I am afraid I have to recall some facts that the hon. member for Richmond seems to have overlooked.

The hon. member—

Mr. Deputy Speaker: Order. The hon. member should understand that if he rises on a point of order, he should do so with regard to the proceedings of the House and not the contents of the statement of the hon. member. He may rise in his turn to oppose the hon. member's statements in whatever way he wishes, but he may not, under the cover of a point of order or of a question of privilege, enter a point of debate with the hon. member on the arguments he put forward. Although he may have the right to rectify inaccurate facts which may have slipped into the hon. member's speech, if he proves that it is a matter of importance, if it is just a matter of opinion, he has no right to take part in the debate at this point.

Mr. Joyal: Mr. Speaker, with your permission, this is not an opinion but a fact. The hon. member for Richmond mentioned in his speech that some places in universities of the province of Quebec were occupied by foreign students or students who did not have Canadian citizenship. Well, Mr. Speaker, it so happens that the regulations of the five universities in the province of Quebec, Laval, Sherbrooke, Montreal, McGill and the Quebec university fix a 5 per cent quota on those places available for students, and consequently they are not at all—

Mr. Lambert (Edmonton West): This is an argument, not a point of order.

Mr. Deputy Speaker: Order. The hon. member can rise later and express his views at the time.

Mr. Beaudoin: Mr. Speaker, I rise on a point of order.

Mr. Lambert (Edmonton West): Order!

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

Mr. Beaudoin: Mr. Speaker, I rise on a point of order.

Since there is someone opposite who does not even ask to be recognized to make a speech, and thinks he is good enough to apply censorship to our speeches, I would like him to stand up and deliver a speech if he disagrees with my statements, instead of criticizing.

Mr. Olivier: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Longueil (Mr. Olivier) on a point of order.

Mr. Olivier: I apologize, Mr. Speaker. The hon. member for Maisonneuve-Rosemont (Mr. Joyal) just wanted to point to the House that the hon. member opposite said something untrue. That is just what he wanted to say.

Mr. Deputy Speaker: Order. I hope hon. members will not request the Chair to bear judgments, for it is too cumbersome a burden. I therefore ask the hon. member for Malpèque (Mr. MacLean), whom I earlier recognized, to proceed with his speech.

[*English*]

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to speak briefly on this bill which is important in a special sense. It deals with citizenship. We can get an inkling of what citizenship connotes if we examine the derivation of

the word. It is derived from a combination of words, the original meaning of which was "denizen of a city." That phrase described those who had the right to rest within a city's walls. They were given certain privileges, benefits, and responsibilities, and had to meet certain standards enabling them to be safely admitted within a city's walls. Obviously, it would not have been wise to allow fifth columnists, saboteurs—

An hon. Member: Or Liberals.

Mr. MacLean: —or other undesirables into the city. That is the origin of the word. Its meaning in the present day has been widened. A citizen now is a member of a certain geographic area, usually a politically organized area; in other words, as universally recognized, he is now a citizen of a country.

● (1640)

Some will argue that the traditional conceptions of citizenship are no longer valid or relevant and that they should be modified beyond recognition or scrapped altogether. Some even go so far as to argue that the national citizenship requirements of any country are no longer valid.

The extremists say we are world citizens. This is the global village age. They say that people should be free to migrate at will and settle anywhere without hindrance, thereby benefitting from the natural and man made advantages that exist in any particular spot on the face of the globe.

I do not go that far. Perhaps the strongest argument that we are living in a global village is that we have global village idiots who try to suggest that is a viable situation for a country to espouse.

This extreme notion clashes head on with one of the deepest instincts and emotions that is shared by all of God's creatures, including human beings. It is a sense of wanting to belong somewhere, a sense of territorial requirement. It is a sense of having certain rights because you fulfil certain obligations within a given society or area. It is the territorial imperative that biologists speak about.

This sort of motion is perhaps best expressed by the well-known lines of Walter Scott in "The Lay of the Last Minstrel", although I am not sure about that, when he said, "Breathed there the man, with soul so dead, who never to himself hath said, this is my own my native land."

That brings us to this whole question of what is a reasonable attitude with regard to both immigration and emigration, the transfer of peoples from the surroundings, environment and culture from which they sprong. In many cases, their ancestors have lived there for aeons.

It is obvious that people living in any country who have struggled to build up conditions, institutions and a way of life which bears some resemblance to what they would desire, feel that they have a vested interest in what has been achieved. They feel they should have some say in what the rules should be for membership, in this case citizenship in the country. In that situation, any government has a very special obligation to try its best to represent not only its own point of view, but the point of view of all the citizens of the country who evolve the conditions under which other people may join that country.

There is, of course, the other side of the coin. We cannot be too exclusive. We have to balance our selfish instinct of wanting to preserve what is ours for us, speaking now of the people already here, whether they are citizens or not. We have a moral obligation to all mankind. They have a right to share, to some extent at least, in the very favoured part of the world to which we lay claim and which we own as a country.

We cannot afford to be a complete dog in the manger. On the other hand, we have to be sensible and objective so that in our eagerness to be generous we do not water down the benefit of being a Canadian, or urge people to become Canadians who in the long run may regret the change.

There are many parts of the bill to which one can have no objection. I am pleased to see the amendments that give equality to the sexes, male and female. There is provision for either parent to apply for citizenship on behalf of a minor child. That is long overdue.

Under the new bill, women who did not acquire citizenship under the 1947 act because of marriage to foreign nationals may automatically acquire it upon notifying the minister. That is an obvious improvement.

It is sensible that the age of application for citizenship will be reduced to 18 from 21 years to make it consonant with many of our other laws, including the Elections Act.

Having said that, it would be arrogant for us to assume that the highest ambition of everyone in the world is to become like us and, in order to do that, become a Canadian. That is a superiority complex that we exhibit toward many cultures older and wiser than our own.

An immigrant may have been forced by the direct economic pressures to leave his culture and country to seek a livelihood in another land, in this case Canada. He may not look upon that as an unadulturated benefit. He must have mixed feelings. It must be a wrenching experience for anyone to decide to abandon the land where they were born and grew up, and to give up forever many of the cultural values that they hold so dear.

In many cases people are forced to do this. However, for many, due to conditions in various countries, economic and otherwise, emigration from their native land is their second choice. Therefore in our pell-mell rush to say we are doing would-be immigrants a tremendous favour by making them Canadians, doing it quickly to get it over with, I am not sure we are being entirely fair to the would-be immigrants.

The time when a person may apply for Canadian citizenship implies that around that time he should apply, and if he does not, he is probably under a bit of a cloud. There is some pressure on him to apply for Canadian citizenship. However, in the process of acquiring Canadian citizenship he automatically forfeits his other citizenship, whatever it may have been. His decision at that point has to become irrevocable. This is something we should take into consideration.

● (1650)

The bill proposes to require people with landed immigrant status to have only three years of residence rather

than five as is now the case. If I may say so, I think the government has not made a case for the change. I have an open mind. I am willing to be convinced, but I do not think the government has made a case at all. It has just said "Five is an arbitrary figure; let us make it three"—as if the change were of no consequence because the figures are arbitrary. But lots of things are arbitrary. For example, the five years set for the life of a parliament is arbitrary. If we reduce things on the ground that they are arbitrary, maybe we should reduce the life of a parliament from five years to three. It would have the advantage that it would jibe with the argument used in this case, I suppose.

There are a number of things which could be said about this proposal. First of all, I would suppose that any immigrant would want to have enough time in which to make sure that the decision he took to come to Canada was one he wanted to stick with for the rest of his life, and that at no time would he wish to change his mind and exercise again the citizenship he would be forfeiting if he became a Canadian.

Then there are practical things. You know, there is a pet formula which the government and its predecessors seem to use. They take a very subjective view. No matter what is involved they start out by saying it is reform, it is an advance, and it is non-discriminatory. Mr. Speaker, they have used those three terms so often that the value of those words in the language has depreciated. In Canada, "reform" has been debased to mean only the Liberal notion of how things should be done, whether it makes sense or not.

Another word which has been vastly downgraded is the word discrimination. It has been made into a bad word. That has happened because it has been used so often in the sense of discriminating between people so that one of them is treated unfairly—discrimination in matters of taxation, for example. But surely there is nothing wrong about discriminating. I would hate to see the government nationalize the wine industry, for example. If would not wish to discriminate so it would call all wines champagne.

Mr. Epp: And insist on 80 per cent Canadian content?

Some hon. Members: Oh, oh!

Mr. MacLean: I make no apology for being able to discriminate between what is suitable and what is unsuitable in a given situation. It is not necessarily virtuous to say that the power of discrimination is being removed from someone. I believe I know what the minister means, but I should like to see the committee approach the bill with an open mind. I believe the committee should arrange for representatives of all points of view to appear before it. Perhaps our first citizens should be there. I am glad the hon. member for Kamloops-Cariboo (Mr. Marchand) has spoken. Except for him I suppose we are all of us immigrants to Canada, or else our parents or grandparents were.

Mr. Stanfield: And his were, once.

Mr. MacLean: Well, in prehistoric times, his ancestors, too migrated here. Every point of view has a right to be heard. I believe we should hear from people who have recently become Canadian citizens. They can contribute a great deal to evaluating the wisdom or lack of wisdom of some of the things we are doing. We should hear briefs from other levels of government which are required to provide various services and amenities, education, among other things, for people who come to this country.

We ought to be able to assess the obligations we place on other levels of government in an objective way. In this connection I understand that in most areas local governments, in order to protect themselves, require children registering in their schools to demonstrate that their parents are in the country legally as landed immigrants or otherwise. We all know that in some of our large cities thousands of people are here illegally. Many of them have children and those children are being denied education because if they went to school the fact that their parents were not here legally would be exposed. So their parents keep them at home. Considerable numbers of children are growing up in our cities who are being denied education because their parents are not landed immigrants and perhaps will never acquire citizenship. These are some of the matters the committee should examine carefully. Mr. Speaker, I have already spoken longer than I had intended, so I will leave it at that.

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, in rising to speak on Bill C-20 I believe I can say without reservation that this long-awaited and long-overdue legislation is most welcome, especially among potential citizens of Canada although it touches every Canadian.

Today being United Nations Human Rights Day commemorating the universal declaration of human rights in the United Nations, I think it is significant we should be discussing new citizenship legislation because it does grant new rights to potential citizens which they were not able to exercise before.

The legislation before us provides for fundamental changes in the granting, retaining, resuming, and renunciation of citizenship. These changes, as well as many others in the bill, are unequivocal and fair. That is why the definition of Canadian citizenship as a qualified right represents an important and progressive step in the history of naturalization and citizenship laws in Canada. The federal government led the way in 1947 with its own citizenship legislation, the first such law to be passed by any Commonwealth country, granting a citizenship separate from that of British subject.

The proposed Citizenship Act of 1975 is a logical, equitable, and up-to-date piece of legislation. The new provisions eliminate discrimination on grounds of sex by according equal treatment to men and women.

● (1700)

The new citizenship act is also more equitable to children. For example, the age of application for citizenship has been reduced from 21 years to 18, the age of majority and the age of voting in this country. Furthermore, the new provisions give rights to children born abroad equal to those of children born in Canada. The proposed legislation also eliminates the present registration requirements, thus making the right to citizenship indefeasible in the first generation born abroad. The bill also passes on the right to

citizenship conditionally to the second generation, which is a step in the right direction.

The Secretary of State (Mr. Faulkner) is to be commended, I believe, for presenting so many just and liberal changes to our citizenship legislation, above all including the one which removes preferential treatment for some applicants. It is most laudable that this new bill is firmly based on the principles of fairness and equal treatment for all.

The new status of citizen of the commonwealth also updates the law and brings us into the real world, acknowledging the special ties that unite Canadians with all members of the British Commonwealth.

Waiting periods for application and for reapplication are being reduced, and this will be welcomed by many people. Although some people regard the reduction in the waiting period while resident in Canada from five to three years as too short for an immigrant to become acquainted with this country, the minister has emphasized the changing attitudes, the different cirucumstances, and the many other opportunities in Canada that enable potential citizens to make up their minds sooner and to commit themselves to Canada much earlier today if they want to do so. Some immigrants are ready for Canadian citizenship before others. If at the end of three years an applicant feels he is capable of satisfying the citizenship judge regarding language, knowledge of Canada, and other requirements under the act, then I do not see why the applicant should not apply for citizenship.

The bill also removes arbitrary discretion and redefines citizenship as a qualified right where certain conditions are met. In trying to correct arbitrary decisions this bill grants discretion to the governor in council to refuse citizenship if it would be prejudicial to the security of Canada or contrary to public order in Canada. I think this should answer many of the objectionable remarks which were made in the House this afternoon during this debate.

The changes in the bill which remove many inconsistencies and barriers should encourage more potential citizens to acquire Canadian citizenship without difficulty, and without having to wait too long.

At this point I should also like to make a few remarks about the citizenship courts and their judges. The new legislation will establish the title of "citizenship judge" for those people who administer the citizenship courts in our land. I am sure all members of the House appreciate the government's reponsiveness to the needs of potential citizens by making citizenship courts more accessible, espectially during evening hours and at week ends. This is an outreach program of the Secretary of State that is most commendable, and I wish to thank him for establishing citizenship courts at more than one centre in various cities in Canada. For example, in Toronto and Montreal citizenship offices are open in the evenings, and people are free to ask question about Canadian citizenship and to receive advice and encouragement.

However, the minister should not stop there. Citizenship courts should still be expanded and strengthened by the appointment of more judges. There is a great backlog of cases, especially in Toronto, and I believe that the sooner immigrants get their citizenship papers the happier they will be, and they will become good useful citizens in their new country.

The privileges of Canadian citizenship are many and worth while, and should make us both proud and grateful. In particular Canada's official policy of multicultaralism, which recognizes the cultural values of all Canadians in a country where no one group is superior to another, makes Canada's citizenship attractive and a most valuable acquisition. This policy and the new citizenship legislation not only helps build a Canadian identity, but also strengthens national unity. This is why, Mr. Speaker, I should like to applaud the enlightened attitude displayed by the Secretary of State in presenting the bill to the House, and I also commend the legislation to all members of the House.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, in examining the bill and searching for words to express my reaction to it I am somewhat torn between the positive provisions in the bill and those which I would define as less positive. Let me deal with the positive ones first.

The provisions under Part I, giving the right of citizenship to the children of female Canadians in the same way as it is granted to the children of male Canadians, is essentially identical, at least in purpose, to the provisions in Bill C-275, a private member's bill brought by in by myself this session which followed upon a private member's bill I brought in at each of the previous sessions. In fact I introduced this bill soon after being elected to the House of Commons.

Quite clearly the existing Citizenship Act, which discriminates against the children of Canadian mothers in this way, is unfair and unrealistic in terms of stated government policy and the attitudes and desires of Canadians. As one of my colleagues pointed out during the second reading debate last May, this provision follows on from the recommendation made by the Royal Commission on the Status of Women.

It was because of this discrimination that I was moved to bring in this private member's bill, but what really triggered it was a situation I became aware of which involved a personal friend of mine, a female Canadian citizen. I think her story is interesting in that it shows the effects that this sort of discrimination can have on Canadians.

Upon graduation from university she sought work with World University Services at the University of Santiago in Chile. While there she met and married a citizen of the Argentine. This citizen of the Argentine left his country—he was also a student at Santiago University—because of political differences with the existing regime. They shortly had a child, and upon the completion of his education they returned to Canada. The child was a citizen of Chile.

● (1710)

After they returned to Canada the Allende government was elected and subsequently deposed, and for a great number of reasons it was not feasible for this family to make use of the facilities available to a Chilean citizen for their son. They could not get a passport. The father was a citizen of Argentina, which also had a change of administration, and he was persona non grata in his own country. Therefore it was not practical for this child to be registered

as a citizen of Argentina. His mother was Canadian, they were living in Canada and desired to make their home here, but she could not have her child registered as a Canadian, so the child is essentially stateless.

To complicate the matter further, this couple is now living in Mexico under a two-year program operated through a social agency. This couple is in the peculiar situation of not being certain about the welfare of their son in that he is not a Canadian citizen, although his mother is and his father intends to become a Canadian citizen once he satisfies residency requirements. They are quite concerned in the event that something should happen to them. What would happen to this child? It is their desire that the mother's family should raise the child. The latter are Canadian citizens living in Canada. What happens to a child who is in Mexico with his parents, one of whom is a citizen of Argentina and the other a Canadian? How can that child be taken care of, and what sort of protection would he have from Canadian facilities and services to which he would be entitled if his father had been the Canadian as opposed to his mother?

These circumstances caused me to introduce a private member's bill three years ago to cover the situation, hence I certainly support this part of the bill. There is a difference between my private member's bill and Bill C-20 in respect of this matter of the right to citizenship of a child with a Canadian mother, and that is the matter of retroactivity. The bill I proposed would have given children of Canadian mothers the right to Canadian citizenship, and I am talking about those children who have been born and now exist. Bill C-20 would only give that right to children of Canadian mothers born after enactment.

The minister made some remarks about this bill in that he had some concern that the retroactivity feature if included could lead to some anomaly or difficulty. He gave as an example of his concern a child now 18 or 19 years of age living in his father's home country. As a result of a change in the Canadian law that child might suddenly be declared a Canadian citizen, thereby creating some problem for him.

It is my suggestion that this hypothetical situation could very easily be cleared up. I would suggest, therefore, that the real example I have just given of a child of a Canadian mother, who is now in one sense in jeopardy as a result of not being able to obtain Canadian citizenship, is worthy of more consideration. If you balance the real example against the hypothetical example of the minister, the balance should come down on the side of retroactivity.

The children of Canadian mothers who are now alive should be afforded this advantage as opposed to those who may be conceived and born after this act. These children cannot become Canadian citizens until age 18. With this retroactivity they would become Canadian citizens right now. It would take only a minor amendment to this bill to accomplish this, and it could be accomplished without the risk of the hypothetical example given by the minister. If the minister is paying attention, or will read these remarks later, he will see that this can be done easily by providing that this is done on the application of the Canadian mother. That would quite clearly prevent the hypothetical situation alluded to by the minister.

In terms of this small but important part of Canadian law, one more inequity toward that half of the population which is female is being removed, and that is to be applauded. I dare say that no one on this side of the House would speak against this provision. The only question that is raised is why it has taken so long. One member of the media who became aware of my private member's bill introduced three years ago made the observation that it seemed so self-evident it should have been passed very quickly.

In respect of these features of the law which are clearly discriminatory, and in respect of which public opinion is so clearly defined, there is no reason for such a long delay. There is no reason for the government to wait until it puts all these things together in one omnibus bill. If the government is as concerned as it claims to be from time to time about the lack of productivity on the part of parliament, it should look at this type of situation as one of the root causes. A simple bill like Bill C-275, to remove this discriminatory feature of citizenship, could have passed in about half an hour of the House's time some years ago.

As I indicated in my opening remarks, this bill has good and bad parts. I have spoken about the good parts and I should now like to mention the bad parts very briefly. It is regrettable that the government should resort to these tactics continuously, and I refer to the tendency of the government to put together an omnibus bill covering all possible amendments within a certain area. That sort of procedure is without doubt a major contributor to the slowness and inefficiency with which legislation is dealt with in this Chamber. Instead of blaming the opposition for delaying the passage of legislative measures by foot dragging, the government should look at the manner in which it packages its legislation covering various areas under one legislative blanket for passage through this House.

Perhaps the most serious reservation I have about this bill is the one referred to by my colleagues, and that is the question of reducing the waiting period for Canadian citizenship from five to three years. Canadian citizenship is an honour, and something all of us here feel should be held in the highest esteem. Thus when there is tampering with the mechanisms, the structures, the regulations, and the obstacles that precede the granting of Canadian citizenship, those of us who value it naturally have our antennae stretched out; we are very concerned and interested to learn the rationale and reasoning behind these changes.

● (1720)

Although I did read the remarks of the minister at the second reading stage concerning the reasons for the reduction from five years to three years I did not find any very convincing argument for the change. The thesis the minister proposed is that we live in a modern age with modern communications, and that therefore what took people five years to learn five years ago they can now learn in three years. I suggest that is a very questionable thesis. The evidence in support of that is lacking. The human animal has not changed that much.

I grant that communications and technology have changed and that the world has shrunk in a communications sense, but people have not changed that much.

Although I suppose we all take this position too often I believe it is almost arrogant for those of us who are alive today to consider that we are more intelligent, more perceptive, that we learn more quickly than our predecessors, and that therefore now we can learn in three years what it took people five years to learn previously.

I suggest that is a very weak foundation upon which to base a change. It is a change that is very fundamental. We do not automatically hand someone Canadian citizenship papers at the border. The five-year period evolved through much history. There was much experience which caused us to establish the five-year period. It seems to me that we should have very good evidence before we tamper with that history and tradition and bring about a change in something this serious which represents an obstacle to Canadian citizenship. We require much better evidence than has been provided by the minister during his speech at second reading. I have very serious reservations about this. I would find it exceedingly difficult to support the bill on that basis.

I do not intend to go into any great detail in respect of the other features of the bill. One of the pleasant duties I have performed—and I am sure this is the case with other members—is attend citizenship court in my city from time to time. I have found the experience enjoyable, rewarding, and stimulating.

The emotion that is evident on those occasions is certainly infectious. Every time I have attended one of these courts I have come away feeling a little more proud to be a Canadian. I have felt a real sense of warmth toward those persons who participated in the ceremony and who became Canadian citizens on that day. Therefore as a result of those experiences I enjoyed, as a member of parliament I am very reluctant to suggest concurrence in the amendments to these procedures that would tend to take away the dignity from the Canadian citizenship ceremony and procedures. These procedures and traditions are not carved in stone forever. No one suggests that. However, they are traditions. We are the custodians of our history and it seems to me that before we start changing in any great manner these procedures and traditions which have been established, we should have very good cause.

Quite frankly, from listening to the minister and reading the remarks of those who have spoken on second reading in support of this bill, I find I am still unable to reach the conclusion that sufficient evidence has been provided to justify these changes.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, as one member of the committee that toured our country trying to assess the mood of the people with respect to what our citizenship and immigration policy should be I am pleased to add my comments to this debate. The members of the committee found that it was not as easy to make that assessment as some people might have thought when we set out. It is already obvious we will not find it any easier to obtain a consensus on the recommendations set forth in this bill.

It is well known to almost everyone that our committee was hard-pressed at times to conduct our investigations in an orderly and sane manner. We were often subjected to harassment and abuse by special interest groups and by extremists of every possible persuasion. I would hate to think that even a single recommendation we are now being asked to consider was made as a result of this extreme pressure, or to satisfy the demands of a small but vocal minority faction in our country.

I must begin my remarks by saying I cannot accept some of these proposals for changing or upgrading our immigration laws. In some cases I find the recommendations are inconsistent. In others I feel we are placing too low a value on that precious thing we call Canadian citizenship. It has never really been difficult for people who meet the minimum requirements for landed immigrant status in Canada to qualify for and acquire Canadian citizenship. In fact when I set out with the committee to sample public opinion on this subject I did not consider we had a mandate to make it easier for people to come to Canada or acquire Canadian citizenship.

I understand that 750,000 people applied to come to Canada in 1974. What would we do with all these people if we had an open-door policy? In respect of immigration and citizenship, just making it easy is not the same as making it fair. If we are to consider only the aspect of fair and equitable immigration policy, we must first consider what would be fair to the people already in Canada. We are not, after all, thinking or speaking of the Canada of 200 years ago, or even 100 years ago. We are speaking of a Canada that is already threatened by overcrowding, a country that has a high level of unemployment, a country that is already beset with tensions and animosities based on race, colour, creed, language, and a country which has all the problems that exist in countries from which people would like to emigrate.

I cannot agree with the proposal that would lower the requirement for residence in order to acquire Canadian citizenship. Five years is not too long for any person to wait to qualify for citizenship. It is not too long a time for any person to be asked to live in our society and to learn why we are the way we are, and why we place such a high value on our citizenship status.

● (1730)

Switzerland, one of the most democratic countries, requires at least 12 years residence for citizenship. After all, when a landed immigrant is accumulating the required five years of residency, he is free to work and to live as though he were in fact a Canadian citizen, enjoying the same benefits and the same protections under our laws. I do not see any reason to reduce this requirement for residency. It has already been pointed out that while the requirement for five years residency is arbitrary, so is the proposed three year period arbitrary. Why should there not be an arbitrary period of residency just as there are arbitrary requirements with respect to the character of a prospective immigrant?

There are some proposed changes to the act which I can support, but most of these could and should have been made without the effort and expense of sending the Immigration Committee throughout the country.

For instance, the proposal to confer citizenship on a child who was born outside Canada where one or the other of the parents is a Canadian citizen simply recognizes a discrepancy in the immigration laws which should have

been corrected long ago, and which would have had the support of all parties if the government had seen fit to propose the change.

I would have liked to have seen a proposal which would give the Minister of Manpower and Immigration (Mr. Andras) full authority to act in cases where humanitarian considerations are paramount in deportation proceedings. There have been cases where families have been separated to satisfy provisions in the law, where appeal court proceedings were too expensive for a person to undertake, or where the letter of the law took precedence over the humanitarian aspects of the case. There have been other cases, and there are likely to be more, where there was the very real threat of a person being executed for political crimes if he was deported to his country of origin.

Our courts should not be placed in the position of sending a person to his or her certain death to satisfy a provision in our own laws, especially where our laws either do not recognize that a crime has been committed, or where they do not impose such a serious penalty for the alleged offence.

I noted with great interest the statements made on this bill by the hon. member for Grenville-Carleton (Mr. Baker), and especially where his remarks touched on the question of citizenship as a whole, and what he described as our very generous immigration policy. I must repeat that Canadian citizenship is a precious thing, very much to be desired and protected. It must not be represented as something available to anyone who can get to this country by hook or by crook and manage to remain here for a given number of years. I agree with the hon. member for Grenville-Carleton that it does a disservice to people who immigrate legally in the manner prescribed by law when any part of time spent illegally in Canada is allowed to count toward residence requirements for citizenship.

We have had a serious and long standing problem in this country with respect to illegal immigrants, and it has been said in this debate that we do not know today just how many people are living in Canada illegally. However, we do know that they are not abiding by the laws respecting employment, income taxes, and others, because if they were they could all be traced and apprehended.

I know that one of the reasons the government has decided to let these people earn half a day of residence for every day spent illegally in Canada is that they might be encouraged to come out of hiding and apply for landed immigrant status, but I wonder whether this is a good practice and whether it should be continued.

A few years ago the government declared a general amnesty and suspended penalties for all illegal immigrants in Canada who would come forward and apply for landed immigrant status. In actual fact this meant that people who slipped into Canada and should have been deported found it easier to acquire landed immigrant status than those people applying at the border or from their country of origin. It also meant that people who came to Canada on visitors' permits and faded into the underground after their permits expired could come forward and enjoy the full benefits of the immigration laws.

In spite of this very generous gesture on our part, no more than a fraction of the estimated illegals came forward. In spite of the fact that we stretched our immigration laws to the breaking point, it did not solve the problem. We still do not know how many people are living illegally in Canada, and worse still we have no way of knowing what they are doing. I have to say that we have been overly generous to a criminal element in our society, and it is time to take a more objective view of residence in our country.

Some hon. members have touched on the question of immigration policy as a companion policy to that of residence and citizenship, and I believe we have come to a point in the development of our country where we cannot any longer deal with these two problems in isolation. We cannot continue to use the open door as the symbol of immigration policy, and we have an obligation to inform the other peoples of the world that we too are faced with the prospect of over population. In a nutshell, for a number of very practical reasons we should be making it more difficult rather than easier for people to come to Canada and acquire citizenship.

On my recent tour as a member of the Commonwealth Parliamentary Conference I found that many of my fellow parliamentarians from other countries were amazed to learn that only a fraction of our three and a half million square miles of land could support habitation and agricultural production. There are still people in the world who believe that we have unlimited living space, and therefore they cannot understand how we could even consider limiting immigration. It is not fair of us to represent Canada as a vast and sparsely populated Utopia where there are unlimited opportunities for employment and the good life.

The plain fact is, as I stated earlier, that we do not provide jobs for a large percentage of our own people, about 800,000, to be reasonably precise, and so ours could hardly be described as the promised land. We have a tremendous obligation to people who live in Canada at the present time, and while I do not suggest that we should close our doors to all immigrants, we should nonetheless take a good hard look at the situation and establish priorities which take into account our own needs, present and future.

Some people might call this a selfish approach to the question of immigration, and I have to agree. If it is selfish to want to save what we have and to want to ensure that we can meet our own needs, wants, and aspirations, then I suggest that we simply steel ourselves to the criticism which might follow.

I mentioned earlier that some of the recommendations made by the Immigration Committee were inconsistent, and I should like to say a few words about that. One recommendation was that we continue to bar prostitutes as prospective immigrants, while at the same time it was suggested that we drop the restriction on allowing homosexuals to immigrate to Canada. I cannot accept that recommendation just because we have accepted the maxim that the government does not have any business in the bedrooms of the nation. It does not necessarily follow that we should not make an effort to raise the moral standards in our society.

● (1740)

In the admission of immigrants to Canada we are making a decision before the fact, and it is then, and not later, that we should decide what is and what is not acceptable to us in the way of public morality. I do not want our country to advertise itself throughout the world as a haven for perverts and deviates, and I am afraid that that is just the way it will appear if we drop that restriction.

In conclusion, Mr. Speaker, I should like to say that I agree with the proposal to drop the requirement that candidates for citizenship renounce their former citizenship before accepting their Canadian citizenship. I think that that was an unnecessary and onerous requirement and I cannot help feeling that new Canadians have often felt that they were demeaning their homelands and their former allegiances. It is not necessary to the fulfilment of a new obligation to renounce and demean a former one, and I welcome this change. I hope, Mr. Speaker, that these few flaws that I detect in the bill will be dealt with in committee.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to say a few words on this bill before we reach the end of the day. While the bill has some good features, most of which are agreeable, there are two serious deficiencies in it.

I should like to speak on the reduction in time for the granting of citizenship being reduced from five years to three. The other point that concerns me is the time spent in this country illegally that would count toward the time required for citizenship. This I suggest, in the modern world in which we live, is a very great mistake on our part. It is obvious that under this law an alien who has been in this country illegally for six years will be automatically granted citizenship after three years, and that is the only requirement to be considered.

Any discussion on the granting of citizenship must take into account the immigration problems that are inherent in this granting of citizenship. We have heard of other countries that have been somewhat more liberal in granting citizenship, but if one examines them nearly all have other restrictions which are more severe.

Canada is one of the last countries in the world that is still allowing an influx of a relatively large number of immigrants from other countries. In the past five years we have taken in around one million immigrants and I think that any policy of citizenship has to be discussed in this light. A million people represent 5 per cent of our population.

Slowly, one by one around the world, bars are going up against immigrants. Even the United States has shown its propensity to shut out immigrants and to keep aliens beyond its borders. Indeed one of its complaints has been that Canadian immigration authorities are so lax and Canadian immigration policy so ineffective that a large number of undesirable people are using Canada as an entry into the United States.

We have just gone through the problem of the wholesale illegal entry of people in the immigration field. During the discussion in this House it was obvious that our immigration policy was like Swiss cheese, so full of holes as to be ineffective. The government had to pass legislation that presumably would have some effect on stopping the illegal flow of immigrants.

There is obviously in this country a vast reservoir of people who are here illegally and who will not surface for a long time to come. I believe that this problem will become much more acute as economic slow growth increases and illegal immigrants, in one way or another, will fall into the hands of the authorities to have their cases dealt with by them. If illegal aliens present themselves for citizenship that does not in my opinion—because they have entered illegally and because they have circumvented the normal immigration channels, whether they are desirable or not—entitle them to apply their time in the country as illegal immigrants to their normal citizenship time. By coming to this country illegally they have already jumped the queue. Even if they had been accepted as immigrants they would have left in line those immigrants who look on coming to Canada as a privilege, and who line up at our overseas immigration offices in order to be processed legally and lawfully.

Surely if aliens have come to this country illegally, and certainly in many cases some of these people are active in illegal practices, their time here as an illegal alien should not count. This, I think, is one of the most ridiculous aspects of the bill, that illegal immigrants who have perhaps been indulging in criminal practices will have this time count toward their citizenship.

It has been estimated by officials of the Department of Manpower and Immigration that there are upwards of 200,000 illegal aliens in Canada. Even during the recent amnesty only 40,000 came forward. Surely there is something illogical about this bill reducing the time to be spent in Canada from five years to three years, and allowing the time spent here illegally to count as part of that requirement.

Does the government want the bill to pass merely as a political measure to enfranchise new immigrants? We know that immigrants tend to vote for the government in power at their time of entry. Is the government attempting to ensure that these new people will give it some measure of support at the next election?

Furthermore, there is no real way of knowing when an immigrant has come to this country illegally because we have only that person's word for it. If he is here illegally, obviously there is no official time that he arrived on record and there will be no official documentation as to when he came. It is going to be almost impossible to establish with any degree of certainty when the individual came to this country. He is not likely to come forward with that information.

Turning to the second part of the bill on which I wish to speak, that is, the reduction in the time spent by the immigrant in Canada from five to three years, again I must make the strongest representation that this should not occur. If citizenship means anything, surely it has to be earned. True, whether it is five years or three years, it must be arbitrary. I suggest if we are going to have any qualification period at all, if we are not just going to hand citizenship to someone the day he gets off the boat or the

plane, whether the qualification period be a week or five years should be considered very carefully.

While the immigrant is here under landed immigrant status he has all the rights and privileges of any other Canadian citizen except the right to vote. In a short five years he assumes the full right of Canadian citizenship and surely it is not too long a time in which to understand the traditions of his new homeland. Indeed for many people the five years give them time to reflect on whether or not they wish to renounce their citizenship of the country from which they came. In fact even if the bill does allow this, and assuming that an American, for instance, loses his citizenship at home, there is still time for him to reflect.

I am struck by the fact that I have talked to a good number of Canadians who have emigrated to the United States for various reasons, such as their professions, work, etc., and who fully expected to remain in the United States for the rest of their lives. But circumstances changed their views. Perhaps the pull of family, of relations, or a change in their professional direction caused them to return to Canada. Sometimes such people did not like the United States, the new country in which they expected to live. A good many were happy that United States citizenship took five years to attain, as during that five years many made up their minds that they did not wish to take out U.S. citizenship. Certainly this is true in Canada.

Many who come to Canada from Europe return to their homelands, where living standards are quite comparable with standards in this country. Some do not like our cold climate, or our distances, and wish to return to their countries of origin. If these people were forced to wait five years for citizenship, they could not be stampeded into the early assumption of a new citizenship which they may well later regret. I suggest that there is merit to conferring citizenship only after five years' domicile, as those who stay for five years will very likely spend the rest of their lives in this country. In any case, in the practical sense the five-year wait would mean that the prospective citizen loses the privilege perhaps of not voting in one federal or one provincial election. The right to vote is the only advantage which citizenship confers as compared with landed immigrant status.

● (1750)

In our experience immigrants have generally come from Europe. Sometimes they brought with them a different language and different customs; yet most had a considerable basic background in the democratic system which western Europe gave the world. For example, most understood what was meant by the institution of the monarchy, or the institution of the head of the republic, which is basically the same thing. Basically, they all had some idea of the democratic institution of parliamentary government. They understood the party system, to some extent at least. They knew that although the parties may be different, parties represent the democratic tradition that the state and the individual are the concern of all parties. In the riding it is my honour to represent, Dauphin, there are Slavic, Ukrainian, and Polish peoples who came to this country before the first world war, at a time when the Czar ruled Russia. They understood what we mean by democratic government and democratic traditions.

But what about the many immigrants from third world countries whose views on the value of citizenship and the state are entirely different? Often they have no knowledge of the democratic process. Many think that Canada should welcome them, that they should be given free entry and allowed to carry on unimpeded their activities promoting international Marxism and Communism. As the previous speaker said, they look on Canada as a land sparsely populated, which it is if you consider our population density per square mile. In practice our population tends to concentrate in certain well defined areas where the land can sustain them. These third world immigrants are entirely different from the traditional immigrants of western Europe.

I suppose that in time the mix of Canadians will change. Yet I doubt if there is any advantage to encouraging vast numbers of third world people to come to this country—and we will encourage them if we enact "easy" immigration laws, treat illegal immigrants leniently, and confer almost automatic citizenship after three years' domicile.

We cannot ease the burdens of overpopulation of the third world by taking in large numbers of their immigrants. For example, how can Canada, by taking in immigrants, help India, where the populations increases by 12 million every year? There are many other similar countries where the population is dense and rapidly rising. True, their population is not as large as India's, but they suffer from overpopulation nonetheless. For example, consider countries in the Caribbean.

At the moment the standard of living in Canada is high; yet owing to the rapidly rising cost of energy, and because we as a country consume so much energy, we can expect a prolonged period of slow growth. Bringing large numbers of immigrants to Toronto, Montreal, Vancouver and other Canadian cities makes no sense, particularly as they will only increase the pressure on supplies of already scarce resources and housing.

As I said previously, Mr. Speaker, the advantage of a citizen is that he has the right to vote. That advantage is denied the landed immigrant. The three-year rule has this severe shortcoming: it could happen that an individual would be called upon to cast his ballot before observing adequately the workings of the electoral system. For many immigrants their first election is their first chance to observe the workings of the democratic process. On the other hand if we retain the five-year rule it would mean that immigrants coming from the United States, Britain, western European countries, and other countries where the electoral system is highly developed would sit out only one election.

Indeed, almost every citizen of this country misses the right to exercise his franchise at least once in a lifetime owing to the calls of work, ill health, or to being away on election day. Surely delaying citizenship for five years would impose no great hardship on the immigrant. In any event the immigrant is better able to observe the workings of our political system in a five-year period and thus can better appreciate the privilege of citizenship.

Although there are one or two good provisions in this bill, the two shortcomings to which I alluded make the bill unacceptable to me. For that reason I suggest we should not adopt it in its present form. Others have mentioned humane application of our immigration laws. Parts of this bill will, it is hoped, make the application of our immigration laws easier and more humane. May I call it six o'clock?

Mr. Deputy Speaker: Order, please. It being six o'clock, this House stands adjourned until tomorrow at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 11, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT ADMINISTRATION

PROPOSED FREEZE OF DECENTRALIZATION PROGRAM PENDING DEBATE IN THE HOUSE—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the Prime Minister's (Mr. Trudeau) statement yesterday indicating that his government intends to proceed with major relocations of various departments across Canada, and in view of the tremendous costs of such a program of relocation, operationally, in terms of capital cost and in terms of operational inefficiencies in service to the public, I move, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence):

That the government forthwith freeze the program of relocation on the grounds of necessity for fiscal restraint and until the concept has been discussed and determined by the Parliament of Canada.

Mr. Speaker: Order, please. This motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Guay (St. Boniface): No.

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AIRPORTS

REQUEST FOR STATEMENT OF GOVERNMENT INTENTIONS WITH REGARD TO PICKERING—MOTION UNDER S.O. 43

Mr. John Gilbert (Broadview): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Mr. James Snow, Ontario's minister responsible for transportation and communications, has recently stated that the Pickering airport is an option open to the federal government and he and the federal Minister of Transport (Mr. Lang) are setting up a committee to study the transportation needs of southern Ontario. Since, according to officials, the federal government has no intention of selling or using in another manner the land it accumulated for the purpose of building an international airport in the Pickering area, I move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That the Minister of Transport be instructed by this House to clearly state his intention vis-à-vis the land accumulated for the purpose of building an airport at Pickering and whether or not he, officials of his department or other cabinet ministers are actively engaged in attempts or intend to engage in attempts to have the Ontario government change its decision on providing access routes to the Pickering site suitable for an airport.

Mr. Speaker: Order, please. This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

AIR TRANSPORT

REQUEST FOR CANCELLATION OF SUSPENSION OF QUEBEC COMMUNICATIONS EMPLOYEES FOR SPEAKING FRENCH—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an urgent and important matter.

Owing to the glaring injustice done to two employees of the Dorval airport who have been suspended for having spoken in French at work, since there are two official languages in this country and that in addition, French has the priority in Quebec, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the Minister of Transport immediately order the cancellation of the suspension imposed on both employees.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

REQUEST FOR COMMITTEE STUDY OF DIRECTIVES ON BILINGUAL AIR-TO-GROUND COMMUNICATIONS—MOTION UNDER S.O. 43

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Company of Young Canadians

Considering that two Quebec air traffic controllers were suspended on Monday, December 8, 1975, for carrying out their duties in French, that the Official Languages Act, which Parliament adopted in 1969, grants equal rights and status to the French and English languages within all parliamentary institutions and the government of Canada and, finally, that Section 508 of Air Regulations and Air Navigation Order No. 15, Series V, prohibit the use of French in all air traffic control operations, I move, seconded by the hon. member for Charlevoix (Mr. Lapointe):

That the question whether Section 508 of Air Regulations and Air Navigation Order No. 15, Series V, violates the Official Languages Act of Canada be referred to the Standing Committee on Regulations and Other Statutory Instruments, with instruction to report to the House on or before Friday, December 19, 1975.

Mr. Speaker: Order, please. The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

COMPANY OF YOUNG CANADIANS

REASON FOR PHASING OUT—ALTERNATIVE PROGRAM—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the apparent decision by cabinet to phase out the Company of Young Canadians, and in view of the fact that since its reorganization the company has been doing very positive community development work in isolated and poverty stricken communities, I move, seconded by the hon. member for Egmont (Mr. MacDonald):

That the Secretary of State or some other responsible minister explain to the House on motions the reason for this action and what alternative assistance to these communities in need is being contemplated.

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Joyal.]

ORAL QUESTION PERIOD

ANTI-INFLATION BOARD

INQUIRY WHETHER DECISION ON CONTRACT WITH POSTAL WORKERS COMMUNICATED TO GOVERNMENT—POSSIBILITY OF FURTHER CONSULTATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. I wish to ask the right hon. gentleman whether the Anti-Inflation Board has indicated to the government its view that the contract recently negotiated between the Postmaster General and the inside workers in the post office exceeds the government's anti-inflationary guidelines.

Right Hon. P. E. Trudeau (Prime Minister): As I indicated to the House yesterday, Mr. Speaker, we have some knowledge of the feeling of the Anti-Inflation Board. They have, as is their duty, spoken to the employer side, the government, as well as to the employee side, the union. Therefore, it is fair to say that we know what their thinking is. We discussed a possible response this morning in cabinet, but I called a cabinet meeting for tonight because I am told that, having consulted both sides, they are going to issue a written directive to us, and presumably to the union, to which both sides will have to respond. I am told that we will receive it some time in the course of the afternoon. Cabinet is meeting in the early evening. If we have received this by then and if we can give a written response in time, I will certainly agree to any minister, if the House so desires, making a statement on our response in the House this evening. If not, we will gladly do so tomorrow morning at eleven o'clock.

Mr. Stanfield: I take it from what the Prime Minister says that discussions are no longer continuing between the Anti-Inflation Board and members of the government about the government moderating the contract but rather that the Anti-Inflation Board has made a decision, although the Prime Minister says it has not yet been indicated formally to him. Is that correct?

Mr. Trudeau: Insofar as I know, but I would not want this answer to preclude any further communication. If the Anti-Inflation Board wants to talk with us again we would, of course, be happy to respond. But my understanding is that they have communicated with both sides and are in the process of preparing some statement which will be made public, or communicated to us and to the union.

POSSIBLE GOVERNMENT RESPONSE TO DECISION OF BOARD ON POSTAL WORKERS' CONTRACT

Hon. Robert L. Stanfield (Leader of the Opposition): Has the government decided that it will accept the ruling of the Anti-Inflation Board with respect to this contract to which the government is an interested party? Is the government prepared to accept the ruling of this Board established to define and apply the guidelines or does the government reserve the right to take a special position in cases in which it is itself involved in a dispute?

Right Hon. P. E. Trudeau (Prime Minister): If the hon. member is asking about the situation in practice, I would say we would have to see what the Board says. If he is asking for guidance on what the law and the white paper asserts, I can tell him that when questions of this kind are referred to us the cabinet is not bound automatically by the statement of the AIB. This is the spirit of the law which was discussed in the House. There is provision for a final reference to the government of such questions and, of course, if there is such a reference the intention is that the government should examine the question and make a decision in the national interest.

DATE OF NEGOTIATIONS WITH BOARD ON POSTAL WORKERS' CONTRACT—NAME OF GOVERNMENT NEGOTIATOR

Mr. James A. McGrath (St. John's East): May I ask the Prime Minister whether in accordance with the terms of the order in council negotiations did take place between the Board and both parties in order to achieve satisfactory changes and, if so, when these negotiations took place and who acted on behalf of the government?

Right Hon. P. E. Trudeau (Prime Minister): In the past few days, members of the Anti-Inflation Board have communicated with members of the government.

NEGOTIATIONS BETWEEN POSTMASTER GENERAL AND BOARD ON POSTAL WORKERS' CONTRACT

Mr. James A. McGrath (St. John's East): May I ask the Postmaster General whether he has had any communication with the Anti-Inflation Board since this statement was made, or leaked, as the case may be? If so, could he tell the House the nature of those discussions and could he also inform us at what time the government referred its final wage offer to the Anti-Inflation Board which, under the law, is the final adjudicator of what is, or what is not, within the guidelines?

Hon. Bryce Mackasey (Postmaster General): I believe I answered this question to some degree yesterday. The employer of record is the Treasury Board. The collective agreement, if requested by the Anti-Inflation Board would be requested of the employer, namely the Treasury Board, and I am not authorized to speak with authority on behalf of the President of the Treasury Board. I did, however, negotiate on his behalf and at his request; I was delegated by him to do so, as is his right. But in relation to any discussions, formal or otherwise, with the Anti-Inflation Board, I may say that these would properly be conducted through the Treasury Board.

NEGOTIATIONS BETWEEN BOARD AND PRESIDENT OF THE TREASURY BOARD ON POSTAL WORKERS' CONTRACT

Mr. James A. McGrath (St. John's East): In the absence of the President of the Treasury Board, may I ask the Prime Minister whether the President of the Treasury Board has negotiated with the Anti-Inflation Board on behalf of the government? If so, perhaps the right hon. gentleman would also tell the House why the Postmaster General was not included in those discussions.

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Surely, Mr. Speaker, it is a matter for the government which minister is to communicate with the Anti-Inflation Board. As the House knows, one minister is responsible for the board, another is responsible for the administrator. We will always make sure that the Anti-Inflation Board can contact a senior and responsible minister.

GOVERNMENT POSITION ON POSTAL WORKERS CONTRACT IN VIEW OF IMPLIED DECISION OF BOARD

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, since the Prime Minister has indicated that the government has not heard formally from the Anti-Inflation Board and for that reason has made the decision to have a meeting later tonight, that point notwithstanding, Mr. Pepin, the president of the board, stated on CBC Radio yesterday, as quoted in the press today, that "the gap is too wide between the basic first year raise of 10 per cent permitted under the federal the program and the 30 month award", and so on. In other words, whatever communication the government will receive formally, Mr. Pepin has already publicly declared on behalf of the Board that the Board has decided—

Some hon. Members: Question.

Mr. Broadbent: —that the offer of the government to the postal workers is too high. I should like to ask the Prime Minister—

Some hon. Members: Hear, hear!

Mr. Broadbent: —since that is the case, will the government stand by its own contractual agreement that it entered into with the postal workers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I learned not later than last week that it is not safe to make decisions on the basis of quotations, right or otherwise, of Mr. Pepin's statements. I think the House would think it only fair that we see the position in writing. We are told that we will get it this afternoon or that the Board is going to communicate with us. I think it would be not only unethical but contrary to the spirit of the law and the Inquiries Act if the government were to make a response on the basis of a quote by the hon. member of something that might have been said last night or some other time.

Mr. Broadbent: A supplementary question, Mr. Speaker. The Prime Minister knows full well that the quote I referred to last week—

Some hon. Members: Question.

Mr. Broadbent: —was accurate. The question I will put to him is this. Given the government's own decision about what an appropriate offer is or ought to be for the postal workers, and given the existence of Bill C-73 which, when it becomes law, will make it possible for the government to make a decision that goes against the Anti-Inflation Board,

may I ask the Prime Minister whether the government, as an employer in this instance, will not stand by its original offer to the postal workers?

Mr. Trudeau: Mr. Speaker, as an employer we will, of course, stand by the original offer, but under the law that has been adopted by this House and which I hope will be proclaimed very soon by this parliament we also have a mandate to speak, not only as an employer, but in terms of the total national interest, and we will not shirk either of those duties.

GOVERNMENT POSITION ON COMMUNIQUÉ ISSUED BY CHAIRMAN CONCERNING HISTORICAL RELATIONSHIP

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. Having it both ways is certainly Liberalism in action—

Some hon. Members: Question.

Mr. Broadbent: May I direct a question to the Minister of Finance. Since the origin of this dispute can be pinned to the communiqué—

Mr. Guay (St. Boniface): Ask your question.

Mr. Broadbent: Will you shut up.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby will realize that on more than one occasion in the past I have invited the co-operation of the House in respect of preambles to questions. On one accasion, I specifically indicated that not only should preambles to principal questions be short but, particularly in the case of supplementary questions, ought to be avoided altogether or, if used at all, restricted to only one line. The hon. member has today used a rather extensive preamble to his first two questions and he is now in the process of using another to his third question. I wonder whether he would just put his supplementary question.

Mr. Broadbent: With respect, Mr. Speaker, I had just got about seven words out—

Some hon. Members: Order.

Mr. Broadbent: Since the communiqué issued by Mr. Pepin on November 7 with reference to maintaining the historical relationship specifically was contrary to the white paper which stated that once a decision is made about the historical relationship a settlement should be reached that would maintain the relationship, and the Board ruled that out, I should like to ask the minister if it is the government's view that the communiqué issued by Mr. Pepin contradicts the spirit of the law and the legislation as introduced by the government?

Hon. Donald S. Macdonald (Minister of Finance): Just to reply briefly to the hon. gentleman—

Some hon. Members: Hear, hear!

[Mr. Broadbent.]

Mr. Macdonald (Rosedale): —it would seem his observation or his question is in the nature of a representation, and I will consider it in the preparation—

Mr. Broadbent: Forget it.

Mr. Macdonald (Rosedale): —of the regulations.

* * *

[*Translation*]

BILINGUALISM

THE DEADLINE FOR GRANTING BILINGUALISM BONUS— GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in the absence of the President of the Treasury Board, I put my question the the right hon. Prime Minister.

It seems that during the month of August this year, the Treasury Board and the bilingualism committee in Montreal jointly set December 31, 1975, as the deadline with regard to the granting of the bilingualism bonus. As the government has not yet taken a final decision and there is a risk the civil servants concerned in Montreal and elsewhere in Quebec will stop giving service in the English language, as indicated in a telegram I received today, could the Prime Minister say how the discussions of the government are progressing in that regard?

Right Hon. P. E. Trudeau (Prime Minister): I shall be pleased to inquire, Mr. Speaker. I see the President of the Treasury Board is back in the House. He might be prepared to reply, otherwise he will take the question as notice and answer it tomorrow.

Mr. Beaudoin: I see he has arrived, thank you. Last August the Treasury Board and the bilingualism committee in Montreal chose December 31, 1975, as the deadline of the schedule for the implementation of the bilingualism bonus. Since the government has not taken a final decision on this question as yet, as indicated in the telegram I received this morning, could the minister tell the House at what stage discussions stand on that matter now and what the government intends to do?

Hon. Jean Chrétien (President of the Treasury Board): If I understand correctly, Mr. Speaker, we have not been able to reach a decision on that matter because my officials and the unions representing the employees who raised the question last spring are now discussing it.

* * *

AIR TRANSPORT

USE OF FRENCH BY PILOTS AND CONTROLLERS

Mr. Pierre De Bané (Matane): Mr. Speaker, my question is directed to the leader of the government.

Considering that one of the corner stones of the policy of the leader of the government is the equality between both official languages and that the Commissioner of Official Languages states in his fourth report for the year 1973-1974 that Canadian administration of air transport should as

soon as possible authorize legally what has been the practice for a long time, namely the use of French where it is possible both by pilots and air controllers and considering that—

Mr. Speaker: If the hon. member has a question, he should ask it now.

Mr. De Bané: Agreed, Mr. Speaker. Considering that the Commissioner of Official Languages states that the Air Transport Association of Canada always reacted with slackness to criticism, I would like to ask—

* * *

ANTI-INFLATION BOARD

APPEALS TO CABINET FROM DECISIONS OF BOARD—REASON FOR FAILURE TO HEAR GROUPS OTHER THAN POSTAL WORKERS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to get back to the box into which the government has built itself.

Some hon. Members: Question, question.

Mr. Lawrence: In view of the growing impression throughout the country that the restraint program is being administered in a very unfair way—

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): Welcome back to the House.

An hon. Member: Did you have a nice holiday?

Some hon. Members: Oh, oh!

Mr. Lawrence: In view of the fact that the Prime Minister has already said this afternoon—

Some hon. Members: Question, question.

● (1430)

Mr. Speaker: Order, please. This is the fourth time during the question period we have had difficulty with preambles. If hon. members wish, we can have a dozen members with long preambles and few questioners. That is not the spirit of the question period. I will once again ask all hon. members to please respect the notion that the question ought to be put directly. This is the question period and is not the time to make any kind of a speech by way of a preamble. Would the hon. member please put the question.

Mr. Lawrence: Then, obviously—

Some hon. Members: Question, question.

Mr. Lawrence: Will you let me get it out?

An hon. Member: Get it out.

Mr. Lawrence: Obviously, the question period would be shorter if there were not so many interruptions. My question is directed to the Prime Minister. Sir, I cannot even get the question out.

Some hon. Members: Question, question.

Mr. Lawrence: My question is for the Prime Minister. Sir, this is about the fourth time I have tried and cannot get it out.

Mr. Speaker: Order, please. I have no difficulty hearing the hon. member.

Some hon. Members: Hear, hear!

Mr. Lawrence: Perhaps, Sir, the Throne should be moved down to this end. My question to the Prime Minister is simply this: if special consideration is being given by the cabinet to an appeal in respect of the postal workers, why cannot it be given to other groups which are affected by the decision of the Anti-Inflation Board.

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, if the hon. gentleman referred to the law which has been discussed at some length in this House—

Mr. Lawrence: It is not yet the law.

Mr. Trudeau: —he will see that the whole tenor of the law is that the cabinet has some final say in cases which are referred to it. The hon. member refers to this as putting the government in a box. This perhaps shows his own mentality. In our case, we find that as a practice the government frequently has to reconcile the divergent interests of one sector of the economy and try to measure them against the necessity of guaranteeing the pursuance of the common interest.

Mr. Lawrence: Mr. Speaker, my supplementary is simply this: will the Prime Minister and his cabinet immediately entertain an appeal on behalf of the dispute of the Metro Toronto teachers—that is what is being done in respect of the postal strike—and if not, why not?

Mr. Trudeau: Mr. Speaker, I must correct the hon. member. We are aware of statements which have been made in both these instances. I made it quite clear in an earlier answer to the hon. member's leader that the cabinet was not considering the position of the Anti-Inflation Board but that it would if a reference were made to us in the proper form which is foreseen either under the law or under the Inquiries Act in the present state. Of course, we will do this in other cases where reference is made to us in the proper way.

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PENITENTIARIES

GOVERNMENT MEASURES TO PREVENT ESCAPES—REQUEST FOR REPORT

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my question is directed to the Solicitor General. On November 25 I directed a number of questions to the Solicitor General with regard to escapees from the peniten-

tiaries in Fraser Valley East. I wonder if he could now answer the question.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I did ask for information on that question. I was told that despite some recent escapes, the total escape rate now in British Columbia from penitentiaries is down over the last few previous years. We are taking further steps to reduce it. Despite some escapes, the rate of escapes is down considerably over the last few years.

Mr. Patterson: Mr. Speaker, I wonder if the minister could indicate in respect of the instances to which I alluded if those men have been recaptured yet?

Mr. Allmand: Mr. Speaker, I have detailed statistics of the escapes from the penitentiaries in British Columbia, the recaptures and so on, but I do not know whether I should give this information during the question period. I would be pleased to send the information to the hon. member.

* * *

FINANCE

POSSIBILITY BORROWING POWER EXCEEDED—GOVERNMENT ACTION IN VIEW OF DECISION ON BILL C-79

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Finance. Can the minister advise the House whether the government has exceeded its borrowing power under the limit placed on it under the Financial Administration Act and by how much. If so, what does the government propose to do in view of the House decision in respect of Bill C-79 of the other night?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would have to confirm whether there is an actual excess at the moment, taking into account the authority which exists for refunding. With regard to our intentions, we would hope to introduce a bill for early adoption which would in effect enable the House to enact the provisions which were struck out the other evening.

* * *

HEALTH

TROPICAL DISEASES—NEW QUARANTINE PROVISIONS—TRANSPORTING OF INFECTED PERSONS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In the introduction of the new measures concerning quarantine for lassa fever, will they contain a provision for a period of 20 days, which is the incubation period, and will there be a sterile chamber provided and developed for transportation of an infected person.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I cannot give the hon. member an answer concerning the number of days of quarantine. I will inquire. However, I can tell him that the isolation facilities group to which I referred yesterday which is studying this whole question is actively studying the question of the necessity and feasability of developing separate and new isolation facilities for treatment of diseases such as lassa fever. I am quite confident they will likely come up with a positive recommendation in this respect.

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—SUGGESTION BOARD MONITOR FOOD PRICES BEFORE AND AFTER OCTOBER 13 AND REPORT FINDINGS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Finance. The latest consumer price index figures show that in the month of November prices rose .9 per cent on the whole, with food costs rising .6 per cent. In view of the Bank of Montreal's recent newsletter stating that some companies increased consumer prices before October 13 and that the November consumer price index might also reflect moves by companies to beat the controls, would the minister or his government now ask the chairman of the Anti-Inflation Board to request all food distribution chains to submit to the board their price lists for the two weeks prior to and following October 13 to ascertain the accuracy of the charges in the bank's newsletter, and would the minister also instruct the Anti-Inflation Board to make this information available to the public.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I have already indicated in response to a question by the hon. member for Edmonton West last week, I have drawn to the attention of the Anti-Inflation Board the allegations made in the document referred to by the hon. gentleman. I will draw to the attention of the board the hon. member's suggestion for further dealing with the question.

ANTI-INFLATION PROGRAM—REQUEST FOR ACTION IN AREAS OF ENERGY, FOOD AND HOUSING

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Prime Minister. In view of a speech last night by Jean-Luc Pepin, chairman of the Anti-Inflation Board, to the National Press Club in which on page two of the written text of the speech he said that the government needs a positive program to supplement the present anti-inflation program and quoted the third element of such a program as being structural policies to deal with the special problems of energy, food and housing, exactly the policy my party has been calling for, can the Prime Minister tell the House whether his government intends to take steps to implement such structural policies?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without being unkind I would suggest that the hon. member pay the same diligence to reading the white paper of early October that he has paid to the comments of Mr. Pepin. He would find that we, much before Pepin and much before his own party, had singled out three areas for

structural reform, one of them being housing, the second being food, the third being energy.

Some hon. Members: Hear, hear!

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

THE AGREEMENT WITH NEW BRUNSWICK CONCERNING CONSTRUCTION OF HIGHWAYS—ALLEGED COUNTER PROPOSAL OF PROVINCE

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

Has the minister had the opportunity of checking and examining, as he promised my colleague from Gloucester last Tuesday that he would, the nature of the documents from his department which were tabled in the New Brunswick legislative assembly by the premier of that province and, if so, can he explain the purpose of those documents in order to clarify once and for all a situation that does not seem to be clear?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, yes, indeed, I have had the opportunity of obtaining specific information on the decision of the New Brunswick premier to table certain documents in the legislative assembly at Fredericton some time ago. In fact, the first document is a plan covering all New Brunswick government highway projects for the next five years. The second he tabled, and to which he refers as a proposal from the federal government, that is, from my department, is not in fact a proposal but at the very most a working paper in which we asked the New Brunswick government for additional information which we needed to pursue further our meetings and negotiations with the New Brunswick government. I must say I deplore the fact that those documents should have been made public since that in no way helps the progress of our negotiations in an objective way.

* * *

● (1440)

[*English*]

AGRICULTURE

GOVERNMENT POSITION AT OUTLOOK CONFERENCE ON COW-CALF STABILIZATION PROGRAM

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the Outlook Conference next week, will the minister be raising with the provincial ministers of agriculture the same arguments used in this House for betraying the cow-calf operator and only stabilizing the price of finished cattle?

TRANSPORT

REPORT OF RAILWAYS ON PASSENGER SERVICE—DATE OF PUBLICATION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Transport. On March 11 I asked the then minister of transport a question regarding the CN-CP report on passenger rail service and the minister was questioned in committee recently. Can he tell us when he will present the CN-CP report on passenger rail travel and when we might hear his comments?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not intend to specifically present the CN-CP report on passenger travel. We are working on specific proposals for passenger travel on a variety of fronts throughout the country at the moment, and we will probably be into the new year before I can make a definitive statement on it.

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ENERGY

HYDROELECTRIC POWER—APPLICATION OF MANITOBA FOR EXPORT PERMIT—POSSIBLE VIOLATION OF ENERGY BOARD ACT—REQUEST FOR REPORT

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. On December 4, 1975, as recorded on page 9711 of *Hansard* I asked the minister if Manitoba Hydro had violated section 40 of the National Energy Board Act in starting construction of a hydroelectric line from Ridgeway, Manitoba to Sprague, Manitoba, the purpose of which is exportation of hydro-electric power to the mid-west United States. In view of the assurances which the minister and the Minister of Justice gave me that officials of the government would be examining this problem in the next days, can he indicate to me whether that examination has taken place and whether an charges against Manitoba Hydro are being contemplated at this time?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am not in a position to give the hon. member a legal opinion. I know this matter is under consideration. I can tell him, however, that the hearing before the National Energy Board will take place on Monday, to the best of my knowledge.

* * *

MANPOWER

POSSIBLE ELIMINATION OF SOME YOUTH ASSISTANCE PROGRAMS—ALTERNATIVE MEASURES TO INCREASE EMPLOYMENT OPPORTUNITIES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Prime Minister and it involves two government programs, Opportunities for Youth and the Company of Young Canadians. In view of reports that the government is seriously considering dispensing with either or both of these programs and in light of the fact that the unemployment rate among young people is running at double the national average—some 317,000 young people

are unemployed this month—can the Prime Minister indicate whether in fact the government is considering cutting back its programs to assist the young people in terms of employment or what measures it may be considering to alleviate this serious situation?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member is pointing out the importance in our fight against inflation not to forget the other evil in the economy, namely, high unemployment. I can only say that the government is very conscious of these two dangers and will try to do its best to meet the desires of everyone in this country, of the government and of certain members on the other side to cut expenditures. But in doing so we will do our best to make sure not to cut them in such a way as to affect the unemployment situation adversely.

Mr. MacDonald (Egmont): Can the Prime Minister indicate whether, in view of the consideration that was given some time ago to the establishment of an interdepartmental committee on youth employment and participation, and in view of the continuing increase in the youth participation rate, which amounts to 52.6 per cent now, almost equal to the national average, steps are being taken to develop special programs which might increase further activity with respect to the serious and continuing social situation of the extremely high rate of youth unemployment?

Mr. Trudeau: I repeat that this is a problem of serious concern to the government. I am not clear—and I say so in a serious way—if the hon. member is suggesting that we find new ways of dealing with this problem and set aside OFY or if he is suggesting that we keep OFY and the other program he mentioned, the Company of Young Canadians, and add other programs. I can assure him that the problem is being seriously considered. The difficulty in all these decisions is that we do not want to increase government expenditures at a rate which all members of the House would find undesirable.

LOCAL INITIATIVES PROGRAM—EFFECT OF ANNOUNCEMENT OF ALLOCATION OF FUNDS ON PROJECTS NEXT YEAR

Mr. Jack Marshall (Humber-St.-George's-St.-Barbe): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the restraints and in view of the announcement on job creation that $135 million would be made available to LIP next year besides the $150 million this year, would the minister indicate if that amount is included in the estimates and what will be the result of this announcement on LIP projects for next year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The estimates will be available for perusal without much further delay, and I believe all the answers regarding our decisions will be given then.

OPPORTUNITIES FOR YOUTH AND COMPANY OF YOUNG CANADIANS—REQUEST FOR REPORT ON PROGRAMS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration whether he can advise the House, after having consulted with his front bench colleagues, whether in fact the Company of Young Canadians and the Opportunities for Youth Program have been efficient and viable in his view?

[Mr. MacDonald (Egmont).]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the Company of Young Canadians does not come under the responsibilities of my portfolio but rather under that of the Secretary of State. I think that OFY has been an extremely good program and we will weigh its validity and contribution in relation to other programs of this nature when we make any decisions.

* * *

FINANCE

REASON FOR HIGH LEVEL OF INCREASE IN MONEY SUPPLY

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. In view of the widespread feeling that the large increase in the money supply has contributed greatly to the domestic inflationary process of the past few years, why does the Bank of Canada continue to keep the rate at the present high level of approximately 15 per cent when the federal reserves are down to 5 per cent or a little more for the coming year?

Hon. Donald S. Macdonald (Minister of Finance): I would remind the hon. gentleman of the statements made by the governor in which he indicated that 15 per cent was at the upper end of the range and would not be acceptable to him. The hon. gentleman might like to read the governor's testimony in the standing committee.

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UNEMPLOYMENT INSURANCE

NUMBER OF RECIPIENTS OF BENEFITS IN HAWAII—REQUEST FOR REPORT

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Since we have an alert Auditor General noted for his vigilance with regard to government accounts, is the minister's department keeping a record of the number of recipients of unemployment insurance and the amounts of their cheques being sent to those Canadians today reported to be seeking employment on the beaches of Hawaii in the luxury of tropical salubrity?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Not specifically, Mr. Speaker, but I would be glad to volunteer to go to check the situation personally, on the beaches.

TRANSPORT

CONSULTATIONS WITH PROVINCES ON DRAFTING OF MARITIME CODE AND REGULATIONS

Mr. Fred McCain (Carleton-Charlotte): I should like to direct my question to the Minister of Transport. During preliminary discussions in respect of the Maritime Code a commitment was given by the former minister of transport to consult with the Maritime premiers in this regard. Has the minister consulted with the Maritime Council of Premiers in respect of the act itself and the regulations associated with it?

Hon. Otto E. Lang (Minister of Transport): Since the draft act almost exactly in its present form was on the order paper for a long time, I presume this was indeed done at meetings between the Minister of Transport and the Maritime ministers of transport, but I will check into it. Certainly, there has been ample opportunity for them to comment and I know of no specific objections on their part.

Mr. McCain: There was a commitment to agree to the regulations in advance of the act, as I understood the news report of which, I am sure, the minister has a copy. Have consultations taken place between the minister himself and the provincial premiers to determine whether or not they are in fact satisfactory as the act exists today?

Mr. Lang: There have been no such discussions with me. Perhaps there were some earlier. In addition, I would like to check whatever promises might have been made.

* * *

● (1450)

INDIAN AFFAIRS

SUGGESTION GUIDELINES BE SUSPENDED UNTIL LAND CLAIMS OF NOVA SCOTIA MICMACS NEGOTIATED—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, a question for the Minister of Indian Affairs and Northern Development. Has the minister received a copy of the letter that went to the Prime Minister from the president of the Union of Nova Scotia Indians? If so, is he willing to accede to the request of Mr. Denny that the government cease implementation of any new policy guidelines until such time as the aboriginal rights claims of the Nova Scotia Micmacs have been negotiated?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have not seen the copy of the letter to which the hon. member makes reference. Basically, our stance on the guidelines is that they were accepted and have been implemented over the past year. We are prepared to change or modify that stance as required but there is no relationship to any aboriginal claim.

Mr. Muir: A supplementary question; in view of the Micmac position is it the intention of the minister and the government to continue to implement the 1969 white paper on Indians without full consultation and acceptance by the people it affects?

Mr. Buchanan: Mr. Speaker, indication has been given on several occasions to the Indian people that we will not be implementing the 1969 policy statement.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

THE DIVERSITY OF SOURCES OF GOVERNMENT ANNOUNCEMENTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to put a question to the Minister of Regional Economic Expansion.

Considering that newsletters from his department and other departments of the federal government announcing that some departmental decisions would be the responsibility of another minister have reached us, can the minister tell the House why the newsletters from his ministry concerning the allottment of certain subsidies are initiated now by the Minister of Environment, now by the Minister of Consumer and Corporate Affairs, and now by his own authority? Is it a matter of administrative process or an advertising policy aimed at reaching a larger audience?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I would like to inform the hon. member that this is a long established policy according to which members of the Cabinet participate in the decisions being made which, in many instances, affect several provinces in the country. That is why this policy has been established for many years and I do not see any reason why it should be changed.

POSSIBILITY OF RELATIONSHIP BETWEEN SUBVENTIONS TO QUEBEC AND INCOME TAX COLLECTED FROM THAT PROVINCE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to ask a supplementary question. Quite objectively, I would like the minister to understand the appropriateness of my question, because Canadian taxpayers sometimes ask us—

An hon. Member: Question!

Mr. Lambert (Bellechasse): Who is the Speaker? You or them?

Some hon. Members: Oh, oh!

Mr. Lambert (Bellechasse): Sometimes people get all mixed up and we try to help them out. Mr. Speaker, I seriously wish to ask my question to the minister, for whom I have much respect, incidentally. When a minister announces a decision made by another department, I would like to know if this is really good and effective administration by which Canadians from the province of Quebec know that those subventions are given back to Quebec for the taxes paid by the people from Quebec to the federal government.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am well aware that the hon. member seeks to know whether I did understand his question, namely if the money returned to the provinces through the grants made by the different departments comes from the taxes levied in these provinces. There is no direct specific relation. Naturally, the money returned to the provinces through all the federal programs is indeed a kind of proportional return of the money levied across Canada. I do not see any reason why the hon. member is opposed to this. In my view, this has always been very clear to and so perceived by all the people of all the provinces of Canada.

* * *

[*English*]

AIRPORTS

REQUEST FOR ASSURANCE HAMILTON CITIZENS' COMMITTEE CAN CONTINUE TO REPORT DIRECTLY TO MINISTER

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Transport. Is the minister aware that according to the terms of reference of the airport expansion citizen's committee in Hamilton, it was to report directly to him with minority and majority reports but a press release yesterday implied that it would report to a federal-provincial committee? Can the minister assure the House that the committee will be entitled to its right to report directly to him?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am pleased to give that assurance. Of course, certain studies we receive may be fitted into broader ranging studies over the whole of Ontario, but it was made clear during our discussions with the Ontario minister that we would have to be free to act on specific recommendations to avoid a buildup of problems, even while other studies were being conducted.

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THE CANADIAN ECONOMY

IMPACT OF LOCKHEED ORION PROJECT ON EMPLOYMENT IN NOVA SCOTIA—GOVERNMENT ACTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the right hon. Prime Minister. Could the hon. gentleman indicate if he received any recommendations from the government of Nova Scotia with respect to the potential loss of jobs in that province arising out of the Lockheed Orion project? Could he also indicate, if he has received representations, whether he would be prepared to indicate the nature of his response, particularly in light of the serious impact of the transfer of some 400 jobs from Nova Scotia to Montreal on the very high unemployment rate in the Atlantic region?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no recollection of having seen such representations. I shall certainly check in my office to see if some such representations have arrived. I will also see if other departments or other ministers have received some communication.

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POST OFFICE

POSSIBILITY GOVERNMENT OFFER TO STRIKING EMPLOYEES SUBMITTED TO ANTI-INFLATION BOARD PRIOR TO NOVEMBER 19

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Postmaster General. Referring to the final offer that forced the longest postal strike in our history, on November 19 the Prime Minister said: "We have interpreted the guidelines in a way which has permitted the Postmaster General to make an offer to the unions." Could the Postmaster General advise this House whether at any time prior to or during the strike the Anti-Inflation Board was formally consulted on the government's final monetary offer and if so, was the position as stated by the Prime Minister taken after such consultation with the board?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I frankly have no intention of satisfying the hon. gentleman's curiosity. My statement is in *Hansard* for him to read and interpret.

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AGRICULTURE

IMPORTATION OF BUCKWHEAT FROM UNITED STATES—REQUEST FOR REPORT ON DESTINATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a short question for the Minister of Agriculture. Can the minister tell us whether, following his investigation yesterday, the two million pounds of buckwheat imported into Manitoba in October from the United States is destined for a port elsewhere in Canada?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are conducting an investigation. As I said yesterday, if any buckwheat was imported into Manitoba illegally by any elevator company, they know that it is illegal to put it in a government licensed elevator. We are checking with our legal advisers to see what action will be taken if they find there was a contravention of our laws. The investigation is not complete.

Mr. Broadbent: A supplementary question. Since it is my information that Canadian customs informed the Department of Agriculture in Manitoba that such importation did take place, can the minister make sure that all the penalties under Canadian law are brought to bear in this situation?

Mr. Whelan: Mr. Speaker, there is nothing wrong with importing buckwheat if the proper procedure is followed, that is if it is not put in a licensed elevator and the importers do not try to use the Crowsnest Pass shipping rates to ship it to an authorized port. That is what we are checking.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF SECRETARY GENERAL OF HABITAT

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, with great pleasure I draw to the attention of the House the presence in your gallery of Dr. Enrique Penalosa, Secretary General of Habitat, the United Nations Conference on Human Settlements.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Before we deal with routine business, may I ask the government House leader to indicate what the business is to be for today, tomorrow, and for as much of next week as the government can foresee?

Mr. Sharp: Mr. Speaker, I know I speak for all hon. members when I express the hope that we can adjourn by the end of next week. This is still our objective and I know I shall have the co-operation of all hon. members to that end. The government is prepared to postpone consideration of some measures until we resume our sitting in the new year. On the other hand, some measures are urgent and must be disposed of before the end of the current year. They include, particularly, Bill C-69, the amendments to the Unemployment Insurance Act. In order to clear the way for this and other major urgent measures, I propose to call as government business for today and tomorrow the final disposition of certain bills which have been discussed for some time and been through committee, namely, Bills C-41, C-28, C-75 and C-78, which is a minor housekeeping bill.

These will be followed by second reading of Bill C-20. That bill has been debated at the second reading stage for some days. May I add that after Bill C-20 is referred to the standing committee, it will not be called again, even if the committee reports, either at the report stage or for third reading until the resumption of the session in the new year. On Monday, as the first order of business we shall take Bill C-69.

Mr. Baker (Grenville-Carleton): Mr. Speaker, in view of the question the hon. member for Edmonton West asked about Bill C-79 during the question period, the possibility of a government overrun with respect to borrowing and the necessity for legislation, will the government House leader tell us if it has been decided to bring in a bill before Christmas or early in the new session if a new session is to proceed soon?

Mr. Sharp: Mr. Speaker, I know the Minister of Finance intends to bring in a bill for first reading as soon as one can be prepared, but I do not think he is yet in a position to know if it must be dealt with before Christmas; that depends on what happens to be in the treasury.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, for six or seven Thursdays in a row the government House leader has told us that the government is considering a bill to implement the report of the Standing Committee on Veterans Affairs concerning Canadian veterans who were prisoners of war. Can he now say if it has been decided to introduce that bill before Christmas?

Mr. Sharp: No, Mr. Speaker. I raised the question again in cabinet today but the government has not made up its mind.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I have reviewed the list of legislation the minister mentioned a few moments ago but do not see any reference to Bill C-58. Is that bill now classed among items which it is essential to consider before the Christmas adjournment, or has it been reclassified? Is its status somewhat lower than essential, or not essential at all?

Mr. Sharp: Mr. Speaker, that is a measure we want to bring before the House with the intention of having the House of Commons, at least, deal with it before Christmas.

Mr. Baker (Grenville-Carleton): And a happy Christmas to you, too, Mitch!

[*Translation*]

Mr. Beaudoin: Mr. Speaker, since the President of the Privy Council (Mr. Sharp) introduced a new bill, for instance the one on the Halifax Relief Commission, and that he wants several bills to be passed—eight bills within five days from tomorrow—can he tell us if the date for the House to be from vacation has been set, because it is clear that those bills will not be passed before going on vacation?

[*English*]

Mr. Sharp: Mr. Speaker, when we are able to adjourn will depend to a great extent on whether we can achieve our objective by the end of next week. If we can reach that objective and adjourn by the end of next week, we hope to return either on January 19 or 26. A final decision has not yet been made.

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PUBLIC SERVICE STAFF RELATIONS ACT

PROVISION RESPECTING STRIKE BALLOTS

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved for leave to introduce Bill C-420, to amend the Public Service Staff Relations Act.

An hon. Member: Explain.

Mr. Forrestall: Mr. Speaker, this measure would provide an opportunity for the orderly identification of the sentiments and wishes of union members after the bringing down of a Conciliation Board report, so that the government and people of Canada will know the wishes of the membership of the union involved.

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

Mr. Speaker: Order, please. As was indicated earlier, the hon. member for Winnipeg North Centre (Mr. Knowles) intends to proceed today with the motion appearing in his name on the order paper, the motion having been stood on several previous occasions. Obviously, after the motion is moved there will be discussion and the hon. member will enter into debate. As there is, really, but one more item under Motions on the order paper, I wonder if it might not be tidier, with the consent of hon. members, of course, to complete routine proceedings, deal with questions on the order paper and other related matters, and then revert to motions in order to permit the hon. member for Winnipeg North Centre to make his comments.

Mr. Knowles (Winnipeg North Centre): Agreed.

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,276, 3,295, 3,334, 3,465, 3,583, 3,603 and 3,652.

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

[*Text*]

SUBSIDIZED INDUSTRIES IN CONSTITUENCY OF VILLENEUVE

Question No. 3,276—**Mr. Caouette (Villeneuve):**

1. Has the Department of Regional Economic Expansion subsidized industries established in the Constituency of Villeneuve since the establishment of the Department and, if so, what was the annual amount?

2. For each of the grants allowed to industries in the Constituency, what is the (a) name of the subsidized industry (b) amount of the grant received (c) year the grant was paid (d) number of jobs created?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Yes. Under the authority of the Regional Development Incentives Act (RDIA), the estimated total amounts offered were: 1969, None; 1970, $717,825; 1971, $779,105; 1972, $594,249; 1973, $350,484; 1974, $3,630,649; $199,400.

[Mr. Forrestall.]

Grants allowed to industries are as follows:

(a) Name of Industry	(b) Estimated Amount of Incentive Grants	(c) Year	(d) Expected Direct New Jobs
Laiterie Senneterre	$ 13,864	1972	9
Abiex Inc.	58,650	1972	15
Abiex Inc.	586,125	1970	53
Alex Julien Ltée	14,900	1971	25
Arlipo Planning Mill Inc.	40,050	1952	14
Forex Inc.	668,000	1971	121
Forex Inc.	3,448,500	1974	167
J. J. Cossette Inc.	71,630	1971	18
J. J. Cossette Inc.	150,345	1972	45
J. J. Cossette Inc.	44,817	1974	7
J. J. Cossette Inc.	97,080	1975	6
Lavoie et Frères Inc.	175,340	1972	46
Les Maisons Quebco Inc.	264,000	1973	98
Paradis & Sons Ltd.	131,700	1970	16
Price Sawmill	156,000	1972	36
Scierie Bell Ltée	102,320	1975	35
Placements Chatre Inc.	14,550	1973	12
Imprimerie J. E. Bernard	24,575	1971	6
Metal Struc Inc.	71,934	1973	15
Concrete Products	22,309	1974	3
Jouets Iris Ltée	49,023	1974	18
Toubex Inc.	66,000	1974	14

FUNDING BY DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

Question No. 3,295—**Mr. Forrestall:**

1. How many announcements concerning funding were made by the Ministers of Regional Economic Expansion in Ottawa (a) alone (b) jointly with others between September 30, 1973 and September 30, 1975?

2. For the same period, how many such announcements were made by (a) Cabinet Ministers (b) other Members of Parliament?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. (*a*) 217. (*b*) 113 (i.e., in conjunction with federal cabinet ministers, provincial premiers, provincial cabinet ministers and municipal officials).

2. (*a*) (33) (11) on behalf of the Minister of Regional Economic Expansion.

PURCHASING OF CANNED MACKEREL

Question No. 3,334—**Mr. Marshall:**

Under the two million dollar purchase programme for canned mackerel, would the minister give a list of the producers in the Atlantic Region from whom the mackerel was purchased and the total amount purchased from each producer?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): Under the "Bridging" Program designed to assist the Canadian fishing industry during 1975, the Fisheries Prices Support Board was authorized to purchase canned mackerel from the 1975 pack for use in international food aid and development programs of the Canadian International Development Agency (CIDA) and the World Food Program (WFP). Due to extremely low mackerel landings in 1975 however, no canned mackerel was delivered to the Fisheries Prices Support Board.

G.W.O.—B.I.D. CONSTRUCTION COMPANY LTD

Question No. 3,465—**Mr. Howie:**

Since June 1, 1975, has G.W.O.-B.I.D. Construction Company Ltd., Fredericton, New Brunswick, been employed by the Department of Indian Affairs and Northern Development?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): G.W.O.—B.I.D. Construction Company Ltd., Fredericton has not been employed by the department since June 1, 1975.

COST OF ICEBREAKING SERVICES

Question No. 3,583—**Mr. Forrestall:**

What is the Department of Transport's best estimate of the cost of icebreaking services for (a) the Gulf of St. Lawrence (b) Newfoundland (c) the Arctic for each annual period from 1969-70 to the most recent available?

Hon. Otto E. Lang (Minister of Transport):

	(a) Gulf of St. Lawrence	(b) Newfound-land	(c) Arctic
1969/70	$3,232,000	$ 671,500	$2,570,300
1970/71	3,402,000	706,800	2,705,500
1971/72	3,698,000	768,300	2,940,800
1972/73	4,108,000	1,153,600	3,267,600
1973/74	4,669,300	970,000	3,713,200
1974/75	5,367,000	1,115,000	4,268,100

Dollars are represented in value for each year. There has been no attempt to escalate historical figures to reflect the inflation factors.

REDUCTION IN RAIL RATES—HALIFAX TO TORONTO

Question No. 3,603—**Mr. Forrestall:**

What is the Department of Transport's best estimate of the reduction, if any, in the rail rates for TEU containers from Halifax to Toronto if the present long term funded debt of the CNR were reduced by (a) 50 per cent (b) 100 per cent?

Hon. Otto E. Lang (Minister of Transport): If the long term funded debt of the CNR was reduced, there would not be any reduction in the above rail rates. One of the bases which is used, besides competition and service requirements to establish or revise rate levels, is the long term variable cost. The long term variable cost would not be affected by a new assumed CNR debt level, as the long term variable cost only includes charges for the level of investment necessary to move a container from Halifax to Toronto in this specific instance.

UNEMPLOYMENT INSURANCE

Question No. 3,652—**Mr. Matte:**

1. How many claimants received unemployment insurance benefits in 1973, 1974 and 1975?

Order Paper Questions

2. What was the annual rate of unemployment in Canada in 1973, 1974 and 1975?

3. How much has been spent for benefits in 1973, 1974 and 1975?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1 and 3. See Statistics Canada Publication 73-001 entitled *Statistical Report on the Operation of the Unemployment Insurance Act.*

2. See Statistics Canada Publication 71-001 entitled *The Labor Force.*

* * *

[*English*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 3,559?

[*Text*]

*MERCURY POLLUTION IN LOWER ST. JOHN RIVER

Question No. 3,559—**Mr. Fairweather:**

1. What is the level of mercury contamination in the lower St. John River and how was it discovered?

2. What is meant by the description "lower reaches of the St. John River"?

3. Is the research report by the Department of the Environment biologist who found that several species of fish had levels of mercury exceeding the maximum considered safe by the government, a public document?

[*English*]

Mr. George Baker (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, may I answer starred question No. 3,559? The answer to the first part, what is the level of mercury contamination in the lower St. John River and how was it discovered, is as follows: 1. Environment Canada has been operating regularly a water quality sampling network in the St. John River since 1974. That year, the average level for the whole river basin, including the major tributaries, was ten times higher than the normal background level in other areas of New Brunswick. These results were based on less than 10 samples for any one site in any one year. The 1975 data analyzed to date does not show the same pattern as in 1974. The mercury levels in water in July and August were much lower this year than last year, and it appears that the 1974 data may have been excessive.

The answer to the second part is:

2. The stretch of river between Fredericton and St. John which is estuarine is usually referred to as the lower reaches of the St. John River.

The answer to the third part to do with the matter of a public document is:

3. The research report by Dr. Michael Dadswell was given at a meeting in Fredericton in early November, 1975. A copy of this report can be obtained in writing Dr. Dadswell, Department of the Environment, Fisheries and Marine Service, Biological Station, St. Andrew, N.B.

● (1510)

Mr. Cossitt: Mr. Speaker, I rise on a point of order with regard to question No. 69, which is the first question on the order paper. It has been outstanding since a year ago last September 30. When a question becomes so outstanding that it appears all by itself as the only question remaining from 1974, its loneliness on the order paper ought to be settled by a government answer. The question is very simple. It asks, basically, how many trips the Prime Minister (Mr. Trudeau) has made outside Ottawa at public expense for the purpose of holidaying, attending Liberal party functions and that sort of thing. Why does the government not see fit, after a year and three months, to bring in an answer which should be simple?

I would also refer to question No. 1,521, the second question remaining on the order paper, which concerns one specific trip made by the Prime Minister to the city of Montreal. The trip was made last January. I would have thought that by now they would have been able to figure out the answer. I realize the Prime Minister makes hundreds of trips at public expense, but surely with the hundred flunkies in his office, and the high salaries they are receiving, it is about time they were put to work and told to figure out these answers.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

VETERANS AFFAIRS

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre) moved that the seventh report of the Standing Committee on Veterans Affairs, presented to the House on Thursday, June 12, 1975, be concurred in.

He said: Mr. Speaker, as Your Honour is aware, the seconder of this motion is my friend, the hon. member for Norfolk-Haldimand (Mr. Knowles). I might add that if our rules permitted more than one member to be listed as a seconder, there would be a fairly lengthy list. I mention in particular the hon. member for Rimouski (Mr. Allard) who would like to have been listed as seconder. I deliberately did not ask any of my friends on the Liberal side of the House because I did not want to embarrass them. However, I am satisfied that there are a number over there who would like to be associated with this motion.

The motion, as the House is aware, calls for concurrence in the seventh report of the Standing Committee on Veterans Affairs which was presented to the House by the hon. member for Mercier (Mr. Boulanger) on Thursday, June 12 of this year.

May I say at the outset that during my years in this place I have had the privilege of serving on a good many committees. Frankly, I know of no committee that I have enjoyed serving on more than the Standing Committee on Veterans Affairs. It is true there are times when we have our differences. There have been times when we have had to decide issues by recorded votes. In the main, however, it is a committee all the members of which are concerned for the welfare of our veterans, and most of the decisions reached in the Standing Committee on Veterans Affairs are unanimous decisions. I am sure that I speak for all who are on that committee in this session, and for all who have served on the committee, when I say it is a privilege to participate in the work of the Standing Committee on Veterans Affairs.

The result of this pleasure that we have in being members of the Standing Committee on Veterans Affairs is that we are reluctant to bring its reports to the kind of debate that could lead to a vote on the floor of the House of Commons. We prefer that the validity of the reports that we make persuade the government to meet the requests and the proposals of the committee. However, in this case it will be six months tomorrow since this committee's report was tabled, and as yet no action has been taken on it.

As hon. members are aware, I have asked the government House leader literally every Thursday this fall when we might expect legislation to implement this report. We continue to get the answer that the matter is under consideration but that no decision has been taken. I am sure that members in all parts of this House, particularly those who are members of the Standing Committee on Veterans Affairs, are deeply disappointed by the delay in dealing with the matter which is set out in the seventh report of our committee.

In general terms, it deals with the question of doing some thing special for Canadian veterans who were prisoners of war. On one hand, it deals with those who were prisoners of war of the Japanese, mostly at Hong Kong, and calls for an improvement in the pension arrangements for those veterans; on the other hand, it calls for something new, namely, the instituting of a limited pension for those who were prisoners of war in Europe. In addition to the proposals that the report makes about prisoners of war, it makes a very important and long-awaited proposal regarding widows of veterans who were on disability pensions. I shall get into the details of that in a moment. In fact, I think I should read the report into the record so that it will be part of today's proceedings.

I wish to make it clear that we are not discussing the whole range of veterans affairs. Rather, we are discussing something very specific, namely, pensions for Canadian veterans who were prisoners of war under two headings, Hong Kong and Europe. We are also discussing the question of what is being done for widows of veterans where the veterans were on disability pension.

I want to emphasize the fact that the report that we tabled on June 12 of this year was a completely unanimous report on the part of the committee. Those present when the report was adopted included some very important personages on the other side of the House. On this side of the House, of course, we are all important. However, we had extremely important persons, namely, the chief government whip, the hon. member for St. Boniface (Mr. Guay), and the present Minister of National Revenue (Mr. Cullen) who was then a private member. He actually made the motion for the adoption of this report. We also had with us the hon. member for London East (Mr. Turner) who has since been promoted and is now Assistant Deputy Speaker

of this House. All of them joined in making this a unanimous report.

The Minister of Veterans Affairs (Mr. MacDonald) is not a member of the committee but he was present and took part in the discussion. I think I am being fair to him when I say he was happy with the outcome of our discussions. We did not recommend everything the organizations which appeared before us requested. We did some scaling down, some compromising, but we produced a unanimous report which had the support of the 20 members of the committee and which certainly appeared to have the support that day of the Minister of Veterans Affairs himself. I should like to pay a tribute, in passing, to the hon. member for Mercier who does an excellent job chairing that committee. Although his capacity for being impartial is such that he did not take part in the debate, there is no doubt that he, too, was pleased with the outcome of those proceedings. Indeed, I remember that on June 12, when he presented the report in the House, he did so with a great deal of pleasure and pride.

● (1520)

So we have before us proposals which received widespread, indeed unanimous, support. But we also have to consider the issue of the importance of parliament. What is the point of talking about the work of members of parliament, backbenchers, and so on? What is the point of talking about the committee system and matters being referred to a committee for detailed study if, after all this is done and a thoroughly researched report is tabled, the government takes no action?

I would point out that the report we tabled on June 12, 1975, was not the first time in this very session that we had made a recommendation with respect to one of the aspects of this matter. On October 22, 1974, early in the course of this session, as will be found by reference to page 77 of *Votes and Proceedings* for that day, we tabled a report having to do with Canadian veterans who were prisoners of war in Hong Kong; we had not yet dealt with those who were prisoners of war in Europe because the J. D. Hermann commission was studying the matter. However, as a result of representations made to us by the Hong Kong Veterans Association we made a report which reads as follows:

> Your committee recommends that the government consider the advisability of introducing legislation to provide for full pensions to all Hong Kong veterans forced out of the labour market.

If I recall correctly, the hon. member for St. Boniface moved that recommendation in committee, even as it was the present Minister of National Revenue who moved the report which was presented on June 12. I am making the point, Mr. Speaker, that twice in six months the veterans affairs committee has reported on the question of prisoners of war.

While I am referring to the number of times our committee had dealt with these matters, may I jump ahead to that part of our June 12 report which deals with the position of widows, especially those whose husbands had been receiving pensions of less than 48 per cent. The recommendation concerning them is in the report of June 12, concurrence in which we are now seeking. May I say that the recommendation that something be done to improve the position of widows of veterans who were receiving less than 48 per cent was contained in the Woods report, one of the finest documents ever produced in relation to veterans' legislation.

At least twice—it might have been three times, but certainly it was at least twice—during our consideration of the Woods report, the government's white paper based on that report and the legislation brought forward subsequently, there were majority votes in the standing committee calling for the acceptance of the Woods committee recommendation that there be a pro rata pension for such widows. I submit, therefore, that what we are talking about today is not something which has been produced from the top of our heads, but something which has been considered and studied for a long time, and that the various elements of this report are elements which have received the endorsation of members of the Standing Committee on Veterans Affairs over a long period of time.

I am not only pleading, as I know others will, the cause of veterans; I am pleading for parliament to be listened to by the government. When you get all these committees making recommendations and presenting them thoughtfully to the government, and when you find the government saying no, not just to us on the opposition side but to an entire committee such as the Standing Committee on Veterans Affairs, the majority of whose members are supporters of the government, I suggest it is very hard for us to feel there is any great merit in the committee system and that it is pretty hard to believe we have a parliamentary system which is operating as it should. I seems to us, rather, that we have a government which runs the entire show in its own way.

It is time now to put on the record what we recommended in our report of June 12, tabled by the hon. member for Mercier. It can be found in *Votes and Proceedings* of that day at pages 627 and 628. After reciting the kind of work we had done, making use of the Hermann report, and so on, we set out our recommendations as follows:

> Your committee recommends: That the House give consideration to the following:
>
> 1) That a new act of parliament be enacted to provide compensation to all former prisoners of war.
>
> The effect of this would be to retain the principle in the Pension Act that payment of wartime disability pension be restricted to those instances where the injury or disease or aggravation thereof was attributable to or incurred during military service, and that special compensation for the maltreatment, indignities and residual disabilities resulting from prisoner of war incarceration which cannot be recognized or identified would be payable under a separate act.
>
> 2) That the formula for compensation payable to former prisoners of war of the Japanese be changed to provide that each such former prisoner of war will receive compensation equivalent to 50 per cent pension to which will be added the amount of pension payable under the Pension Act on account of his assessed disability to a maximum total of 100 per cent.
>
> The effect of this would be to ensure that those who are the most seriously disabled will receive the greatest benefit. At the present time the least seriously disabled of the former prisoners of war of the Japanese derive the greatest benefit from the special provisions made for these former prisoners of war.
>
> 3) That prisoners of war of other powers of World War II or who were captured by hostile forces subsequent to World War II be

awarded compensation in accordance with the following schedule:

Incarcerated 0-1½ years—10 per cent

Incarcerated 1½-2½ years—15 per cent

Incarcerated 2½ years or over—20 per cent

To this compensation would be added the amount of pension payable under the Pension Act on account of an assessed pensionable disability to a maximum total of 100 per cent. Escapees and evaders should also be considered under this paragraph.

Your committee also recommends to the House that consideration be given to amending the Pension Act to provide that a widow's pension be awarded on a sliding scale as follows:

When at the time of death of the prisoner he was, or would have been in receipt of a pension assessed at 47 per cent or less, that pension be paid to the widow in double proportion to the assessed degree of the prisoner's disability as it relates to the basic pension granted to widows.

At the present time a full widow's pension is paid when the pensioner's death was attributable to or was incurred during wartime military service, or in the case of peacetime forces if it arose out of or was directly connected with service; or when the pensioner's disability was assessed at 48 per cent or more at the time of death. The effect of this would be that because 100 per cent widow's pension is payable when the disability pensioner was paid pension at the 50 per cent rate, a double proportion would be payable if his disability was assessed at a lesser rate, so that, for example, the widow of a 40 per cent pensioner would be awarded 80 per cent of the normal widow's pension.

● (1530)

That is the end of the text of the report that we presented on June 12, and I suggest it is a very good report. I believe its resolution of what we should do about the Hong Kong prisoners is a very wise and acceptable one.

But the time is long overdue for this parliament to do something about those who were prisoners of war in Europe. If hon. members were listening to my reading of the text of the report, they would have noticed that we are concerned not only for those who were prisoners of war and were actually incarcerated but also for those who were shot down over Europe and wandered about from place to place, like one of the distinguished members of this House. They were known as evaders or escapees.

I believe the committee has come up with an excellent proposal in both cases. It comes about because of the Hermann report which was commissioned by the government following a request by the Standing Committee on Veterans Affairs in June of 1972, 3½ years ago. In addition to the Hermann report, which took a long time coming but which was of great benefit to us, we had a number of organizations appear before us. As I have said, we did a great deal of what I think was responsible thinking about this problem and we came up with this very excellent report regarding prisoners of war.

I also think that what the report proposes in regard to widows is responsible and long overdue. As I have indicated, the Woods report dealt with this issue. We were in favour of carrying out the Woods report recommendations when the committee met on the Woods report a few years ago, but the government turned us down. I still think it is most unfair that although in a case where a veteran is on a 50 per cent pension or more his widow will get the full widow's pension, in the case of a veteran drawing a pension of, say, 45 per cent, his widow will get nothing at all. Surely the least we should do is to prorate that pension. That is what the Woods report recommended and it is what is now recommended in our report to the House.

[Mr. Knowles (Winnipeg North Centre).]

I would be happy, as I am sure my colleagues on the veterans affairs committee would, to talk about the whole broad range of veterans affairs and the other improvements that still need to be made respecting the War Veterans Allowance Act, and so on. But procedurally we must stay with what is before us, and what is before us is the June 12 report of the committee and I urge very strongly that it be implemented without further delay.

As is always the case, I am reluctant to talk about what delay does to certain people, but it has to be said, Mr. Speaker, that every month that goes by means that more and more Hong Kong veterans die off and that still more are not able to stay in the labour market. Statistics are not quite this severe in regard to the prisoners of war in Europe. We have one of them sitting not far from me, a distinguished member of this House, who seems to be doing very well, but there are many others who find it difficult to keep up with the rat race of modern industrial activity. The traumatic experience that they went through of being incarcerated is something that stays with them all their lives.

It is not proposed that we put them on some magnanimous pension. All we are proposing is that the pensions in the schedule that I read out a moment ago be adopted, namely, 10 per cent for incarceration up to a year and a half, 15 per cent for incarceration for 1½ to 2½ years, and 20 per cent for incarceration for over 2½ years. Sometimes when we talk about pensions and percentages a press man will stop us outside and ask, "Ten percent or 20 per cent of what?" Most of us who are involved in this question know what we are talking about, but perhaps it should be made clear that there is what is known as a 100 per cent disability pension for a war disability when a veteran is 100 per cent unable to earn a living. The amount of that pension is roughly equivalent to the average income of persons in the public service in the five or six lower categories, though it has not been kept at that level as we had hoped. So when a person gets a 10 per cent pension because of a 10 per cent disability, he gets 10 per cent of the total figure.

We are not asking for the moon for these veterans who spent time in prisoner of war camps in Europe during World War II. However, I think all members of the committee felt that the case made by those who came before us was a very strong one. In particular, we had representations from the Dieppe Prisoners of War Association and various organizations representing whose who were prisoners of war. Time is going by. We are not talking about something that happened yesterday, but away back in the forties. Many who should have had the benefit of this legislation have now passed on, but there are many others with us who deserve what the report asks for and I urge very strongly that the government accept this proposal.

In the final analysis, that is what has to happen. In our system we do not make these decisions regarding things costing money; the government has to. All we can do, as a committee and as a parliament, is plead. But surely there comes a time when pleading which is consistent, unanimous and responsible ought to have some effect on the cabinet. I have no doubt that this battle has been fought vigorously inside cabinet and I am sure the Minister of

Veterans Affairs is putting up a tremendous case. I suspect he is also strongly supported by the Minister of National Revenue who, after all, moved this very motion when he was in the Standing Committee on Veterans Affairs. I hope there are other ministers in the cabinet who are supporting the Minister of Veterans Affairs as well.

An hon. Member: He asked for this in the committee.

Mr. Knowles (Winnipeg North Centre): It is obvious that there must be a majority on the wrong side, or we would have had it by now. When we got the report last June, I pressed on the minister the possibility of bringing in a bill before we rose for the summer. He was sympathetic but did not think we could get one before we adjourned in July. Then when we came back in the fall—well, the record is there. Every Thursday I have asked for this, and my hon. friend for Humber-St. George's-St. Barbe (Mr. Marshall) and the hon. member for Norfolk-Haldimand have been up on Standing Order 43 motions and with questions. I suspect that though the Liberal members of the Standing Committee on Veterans Affairs have not been on their feet in the House asking for this, they have been putting all kinds of pressure on the government to take action on this matter. To go on week after week and simply be told, as the government House leader said today, that no decision had been taken just is not good enough for the veterans and it is not good enough for the parliamentary system.

The Minister of Veterans Affairs has also answered my questions on this matter on two or three occasions and it has been dealt with in a couple of late shows. I am grateful that he stayed for those late shows to give us a sympathetic answer. For example, on October 27, 1975, as reported at page 8599 of *Hansard*, when the minister responded to one of my questions he told the story of how the Hermann report had been commissioned, how the committee had made its recommendations, and so on. Then he said:

● (1540)

In the meantime I have held consultations on this very important subject with my colleagues. At the present time this, along with other government proposals, must be examined carefully in the light of the recently announced guidelines. I would hope, as would other members of the House, that the request for compensation for ex-prisoners of war will not become a victim of our financial restrictions.

If there were any way I could underline those words, I would do so thousands of times over. This is exactly the way we feel about it. The minister went on to conclude that short statement by saying:

I hope to have something more definite to announce before too long.

That was on October 27, and here it is, December 11, and we are still not able to get an announcement. I suppose the problem that faces us was contained in that sentence I read in which the minister said that this proposal, along with others, has to be examined carefully in light of the recently announced guidelines. I was glad to hear him say, expressing his view, that he hoped the situation of these former prisoners of war would not become a victim of our financial restrictions, and I want to underline that as strongly as I can. Whatever we may think about Bill C-73, about the anti-inflation white paper and the government's anti-inflation program, surely there is no case for a doctrinaire position that says: "No, no, no. This is a new program; therefore, we have to say no".

There are references in the white paper to the rights of those who have been treated unfairly to have a catch-up provision, and so on. Even in times of restraint, and even when you may have to cut moneys from some people, surely you have to look at everything in terms of fairness. I submit it is not fair to our veterans who were prisoners of war to say to them, "The committee may have recommended this last June, it may have recommended it in October a year ago, and it may have been recommending it for weeks and months, but in the meantime the Prime Minister made his Thanksgiving day speech so they have to be cut off". I plead that this not happen. Even if there are cuts taking place in other areas of expenditure, surely this is not the place for that. I repeat, with the full endorsation, I am sure, of the whole House, those words of the minister when he said:

I would hope, as would other members of the House, that the request for compensation for ex-prisoners of war will not become a victim of our financial restrictions.

Why have I presented this motion which has been on the order paper for several days, and why am I proceeding with it today? Surely the answer must be obvious. It is difficult to do this, especially when we are approaching Christmas and there is a lot of talk around of when we are going to get out, and so on, for taking a day for this cuts into any such program. But surely when the minister says, week after week, that the matter is still under consideration, and nothing is forthcoming, parliament has to express itself. I hope that is what is happening today. I hope this day's debate, during which I trust there will be participants from all corners of the House, will be a debate that says to the government, "We think this legislation is justified and we want it now". I hope this will be a day when this House says to the Minister of Veterans Affairs, "The next time you go into a meeting of the cabinet you have the wholehearted endorsation of all the members of the House of Commons".

That is our purpose today, and that is one of the reasons I have emphasized the fact that we operate, in the veterans affairs committee, on a basis of such good will and unanimity. It is one of the reasons I hope there will be no potshots or cracks back and forth, or anything of a partisan sort taking place in the debate in this House. We are as one, all of us who are members of the veterans affairs committee, and I am sure we are supported by practically all members of the House in what we are trying to do. We are trying to get the government to see that parliament wants its will respected, that parliament wants what it has suggested should be done for the veterans, and we are not satisfied to listen to the President of the Privy Council (Mr. Sharp) say week after week that the legislation is not yet ready.

In presenting the motion today, let me add that there is a special request I should like to put to Your Honour. We are operating under a rule and a ruling by Mr. Speaker Lamoureux that permits this debate to take place because a member has put down the motion, as I have done. It is understood that if tonight a vote has not been taken and

the debate is still going, the motion then is transferred to government orders and is not called again unless the government wants to call it. This does not worry me greatly, Mr. Speaker. I think if we can have a full day's debate so members can express themselves on this, it will strengthen our case for these veterans and it will strengthen the hand of the Minister of Veterans Affairs.

Let me say quite frankly that there is one thing the government can do, but which I hope with all my heart it will not do.

An hon. Member: Don't say it, or they will.

Mr. Knowles (Winnipeg North Centre): The government could put someone up to move the adjournment of the debate and, of course, with its majority it would carry that motion and thus cut off the discussion. I hope the government will not do that. I am sure the discussion on Bill C-41, which was slated as the first item of government business today and which has been around for several years, can wait for another day.

Mr. Sharp: We will make a deal right now.

Mr. Knowles (Winnipeg North Centre): The government House leader is offering a deal. What is it?

Mr. Sharp: We will put both things through tonight. We will give you the day, if you will give us Bill C-41 without debate.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): Oh, no.

Mr. Baker (Grenville-Carleton): What a shameful play on the backs of the veterans.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I realize that remarks made by a member from his seat are not supposed to be put in *Hansard*, but I hope those remarks are. The President of the Privy Council is prepared to hold the veterans at bay, depending on what we do with Bill C-41. Surely this motion stands on its own feet. The minister says they are prepared to give us the day, but that is not giving us the bill. I plead that the government have the decency to let parliament debate this all day. In case the government is not willing to do so, I would make this request to you, sir. I have already communicated to the Speaker, as has been indicated, that the seconder of this motion is the hon. member for Norfolk-Haldimand, one of the members of the Conservative party with a very good name.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I hope you will see that hon. member next so that his case can be made, and I would hope that you might also see the hon. member for Rimouski, so the entire opposition case can be heard before the government could be in a position to move the adjournment of the debate.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Boulanger: How do you know they are going to do that?

Mr. Knowles (Winnipeg North Centre): The hon. member for Mercier asks me how I know they are going to do that. I do not know that and I hope my friend's question implies that the government will not do that. I appeal to the government to have the decency to let this debate go all day so that members in all parts of the House can express their views. That is the purpose of this procedure. This is what parliament is all about. Parliament cannot spend money and cannot enact legislation on its own initiative. Parliament is at the will of the government. But parliament can speak, and parliament can debate, and that is what we are doing today.

I plead, sir, that the government allow this debate to go all day so the views of all members can be expressed. Once again I thank the hon. member for Norfolk-Haldimand for seconding the motion. I thank my friend, the hon. member for Rimouski, for his offer to support it as well, and I am grateful to those unnamed members on the other side who I know agree with us. I am sure they are just as keen as I am that this legislation be brought in. We have waited far too long. We are talking about persons who have been suffering for decades because of their experience as prisoners of war. We have a responsible proposal before us and the restraint program should not touch it at all. I call for action right away to bring on the legislation to provide pensions for these former prisoners of war that are proposed in our report, and also to enact the improvements in widows' pensions set out in our report of June 12. It is an excellent report. It has the unanimous support of the Standing Committee on Veterans Affairs and it deserves the unanimous support of this House and immediate action by the government.

● (1550)

Mr. Deputy Speaker: Order, please. Before I call upon another hon. member, I want the House to know that I do not wish to leave the impression, by recognizing that hon. member, that the Chair is taking any direction from the hon. member for Winnipeg North Centre (Mr. Knowles). I wish to advise hon. members that the matter was considered by the Chair this morning. The possibility of the minister rising at this time has been considered.

I have looked at the Standing Orders and also the written precedents concerning the recognition of alternate speakers on one side or the other. On February 17, 1975, there was a motion by the hon. member for St. John's East (Mr. McGrath). There was another motion on April 11, 1973, by the hon. member for Kingston and the Islands (Miss MacDonald), and on September 17, 1973, again a motion by the hon. member for St. John's East. In such cases it has been the decision of the Chair to give an opportunity first to the seconder of the motion to participate in the debate, and then if anyone from the other parties seeks the floor, to recognize that member.

Of course, this might bring some disappointment to the minister who might wish to express his view early in the debate. I know this report of the committee is a unanimous report and the minister might be anxious perhaps to support the report, I do not know, before any other member rises in criticism of him or the government. I understand

his point of view, but in fairness I think I have to recognize, first, the seconder of the motion. If I do so, I do not think I can forget the hon. member for Rimouski (Mr. Allard) if he should seek the floor.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, first I want to commend Your Honour for your fairness in the ruling just made. I feel honoured to be able to second this motion, not because I support the principles of the New Democratic Party necessarily but because on this particular occasion I support the hon. member for Winnipeg North Centre (Mr. Knowles). As he has already stated, all members of the Standing Committee on Veterans Affairs treat matters such as this in a completely non-partisan way, so it is not strange that I should be seconding this motion. I also seconded the motion because ever since June 12, members from all opposition parties have pursued the same objective, namely, to have these recommendations of the standing committee placed in legislative form and put before this House at least for first reading and printing of the bill so that we can see what action the government intends to take.

I am pleased to participate, also, because I follow in the footsteps of another member of our party, my colleague the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), who has made a contribution to veterans affairs second to none in this House. In addition, on many occasions he has lent a hand in assisting, in a very personal way, veterans from all across the country. Also, he has spoken many times on veterans affairs matters in this House.

Our main purpose today is to get the cabinet to reach some decision. We want the government to accept the recommendations and present a bill to the House. We feel new legislation is required. We do not believe it is good enough simply to incorporate a recommendation in the Pension Act, because in that way these people would not receive the benefit of the recommendations of the committee; the benefit would be lumped in with the disability pension which they now receive and they would not benefit in the way members of the committee intended. The intent of the report is that ex-prisoners of war receive a benefit in addition to whatever disability payment they may now receive.

I wish to make it quite clear, also, that the Minister of Veterans Affairs (Mr. MacDonald), who was here for the opening of the debate and has momentarily left the House, is not personally the object of our criticism; he is not in any way under attack. The only possible way we could fault him is for inability to convince his cabinet colleagues to do what the committee asks. We know where the minister stands. He is a veteran who carries the permanent scars of war, a reminder of the hellishness of war, if you like, and the stresses experienced by men who participated in war either in action or as prisoner of war camps.

I think he is symbolic of veterans across this land and of the crying need for the government and every Canadian to do a little bit to make the lot of the veteran more worth while so that he might be given some relief in his time of suffering. We believe the minister not only because of what I have said but also because of his forthright remarks in respect of these recommendations. I shall deal with that matter further in my remarks. What we are concerned about is lack of positive action by the cabinet. There is a long list of evasive and non-answers by the government House leader and, on occasion, by the minister.

I am sure that in cabinet the minister has the support of the Minister of National Revenue (Mr. Cullen). Surely he supports the minister, because he was a very valued member of the Standing Committee on Veterans Affairs. It was he who was able to bring about consensus in the committee. Members of the opposition perhaps wanted a little more than was granted, but they accepted what he proposed. The chairman of the standing committee, the hon. member for Mercier (Mr. Boulanger), has performed yeoman service in the committee. I know that if he had the opportunity to express his opinion he would support this recommendation. The hon. member for Welland (Mr. Railton) has always been a staunch supporter of the causes of veterans, as well as the hon. member for St. Boniface (Mr. Guay), the government whip. The hon. member for St. Boniface should use his whip on the backs of some of the recalcitrant cabinet ministers so that we might have some action.

This is more than merely an effort to persuade cabinet. I think what we are saying is that the will of parliament should prevail, and not necessarily the will or the power of government. The will of parliament in a democratic way, as represented by all members from all sides of the House, should prevail. If the democratic process is to mean anything at all, the government must listen when members speak with one voice.

I wish to review very briefly some of the background in respect of veterans over the years. On Remembrance Day we repeat over and over again the words "we will remember". I ask whether this pledge has been kept. I ask, also, whether the words "veneration" or "valour" figure very largely in today's vocabulary. When we remember that a quarter of a century has elapsed between today and the last great war, and that more than half a century has elapsed between today and the first great war, one can realize that some people are a little prone to forget what we are talking about when we say "we remember". Some members on the government side also seem to have forgotten this.

● (1600)

How have we dealt with the human cost of war? In the case of men who died, have we given adequate pensions to their widows and children? One of the recommendations we are asking the government to implement indicates that we are not satisfied with the treatment accorded to widows. Have we been fair to the thousands who served and came back alive, to the prisoners of war? Many returned with wounds and disabilities which constitute lifelong handicaps; others accepted risks and bore their share of hardship and deprivation which is inseparable from war. As citizens of the Canadian nation, they gave much. How have they been paid? How did they expect to be paid? Here we have an opportunity to make up for some of the sins of omission of which perhaps we have been guilty. I do not say that the government is totally to blame for that; I think that citizens in all parts of the country are prone to forget the great debt we owe to our veterans.

What does that demand? It demands, first, and without any thought of any limits, generous care of the disabled. This has always been given; our hospitals show that. It was recognized following the first great war and a measure of help was given to all the returning men. By the end of the second world war a changing nation and a changing world had assumed new dimensions. Rehabilitation, as the national obligation, and a sound national policy have come to mean helping veterans to establish themselves in civil life in a situation at least as good as they would have had if they had not gone to war. Many of these things have come to pass. Over the years there has grown up a series of principles or guidelines, axioms or truisms—whatever you would like to call them—which have been put together and are known as the veterans' charter. I do not have to read them; we are familiar with them and many of them have been implemented. Credit is due to successive governments which have been in a position to implement legislation for the assistance of veterans. The Minister of Veterans Affairs has performed his part in doing these things.

The present recommendations are another step toward improvement in what is known as the veterans' charter. The report of the Standing Committee on Veterans Affairs was tabled on November 18, 1974—here I am referring to the Hermann report, not to the final report—on the occasion of which the Minister of Veterans Affairs said the following:

> On the whole, the government considers that these recommendations should not be accepted, but is withholding its final decision until it receives the report of the standing committee.

One might ask, in all fairness, is the governement's present reluctance to introduce legislation due to a decision taken a long time ago that the recommendations in the report were unacceptable? Was sending the report to the Standing Committee on Veterans Affairs only a form of window-dressing? Surely not. I would not accuse the Minister of Veterans Affairs of being such a hypocrite, but one has the right to raise such a question. The Hermann report was referred to the Standing Committee on Veterans Affairs on March 26, 1975, and between April 8 and June 10 six meetings were held to consider the report. Testimony was heard from various veterans and POW associations. The minister attended almost all these meetings and made it clear where his sympathies lay. He told witnesses from the National Prisoners of War Association that he expected one day a recommendation would come to him from the committee which it would be his duty to bring to the government, and I am sure he is doing just that. At that time he said:

> And you need not leave here with any fear that I will not bring the recommendation to government, because I am interested in prisoners of war and I am interested in veterans. That is my job, and do not feel one damn bit worried about me supporting you.

We know where the minister stands. It is certainly not the minister we are criticizing but, rather, his cabinet colleagues who will not listen to sweet reason. At the meeting of the Standing Committee on Veterans Affairs on June 10, the committee unanimously adopted a report on the subject of compensation for ex-prisoners of war which the chairman was instructed to present to the House as the committee's seventh report. It was tabled in the House on June 12. The hon. member for Winnipeg North Centre has

put it on the record so it is unnecessary for me to do that.

I want the record to show exactly what it is we are asking, which is certainly not too much. What has happened since then? The subject has been raised many times and each time the reply has been that the matter is under consideration. More recently there have been indications that the government's program of economic restraints is responsible for the lack of legislation on the subject. Surely that is the height of hypocrisy, when we look at some of the frivolous and extravagant spending of this government. It has been brought into sharp focus in the last day or two in the Auditor General's report. Let me quote one or two examples of the type of spending of money which, had it been saved, would have paid for what we are asking.

Statistics Canada paid $210,000 to a language training school for courses given to selected personnel. Of this amount, $36,000 was paid under contract guarantee for which no services were received as personnel attendance was below the guaranteed minimum. It was wasted money. The Auditor General goes on to say that in November, 1973, Customs and Excise decided to discontinue supplying excise duty stamps to tobacco manufacturers, with a target date of September 30, 1974. In February, 1974, DSS entered into a contract, on behalf of Customs and Excise, to supply tobacco stamps for six months, with flexibility provided. Customs and Excise purchased $112,000 worth of stamps over and above the contract amount without the involvement of DSS. That is another example of waste. I could go on and on. *Maclean's* magazine, in its December issue, had some glaring examples of government waste.

I say that it is hypocrisy for the government to say that they have not brought forth this legislation because of the program of restraint. As I have said, I could mention many other examples of government waste but I will not take the time of the House to do that. I should mention the many times we received the evasive answers to which I referred from the government House leader and the Minister of Veterans Affairs, saying it would be brought forward soon, it was under consideration, and so on. All these replies have been documented and I am sure my colleagues will be speaking about that matter further if they have the opportunity to participate in this debate.

I think the big argument here is the restraint program on which the government is embarking, and the fact that it is using that program as an excuse, or a red herring, not to implement the very reasonable provisions for which we are asking. I think I should put on the record, also, exactly what the National Prisoners of War Association had to say in their brief before the standing committee. I shall read from issue No. 16 of the *Minutes of Proceedings* of the Standing Committee on Veterans Affairs of Tuesday, April 15, 1975, page 16:14. It reads as follows:

> The National Prisoners of War Association proposes, in order to implement recommendations 1 and 2 of Dr. Hermann's report that:
>
> By new legislation or by amendments to the Pension Act, special compensation be paid to those members of the armed forces and the merchant marine who were prisoners of war in Europe. These awards would be based on the number of years of incarceration as follows:
>
> 2½ years or more—50 per cent

1½ years to 2½ years—40 per cent

1½ years or less—20 per cent

These awards be over and above any existing pension and we agree with Hermann recommmendation No. 3 in principle and we agree with Hermann recommendation No. 4

In conclusion, we wish to thank you for the privilege of presenting our brief—

● (1610)

The percentages which the standing committee placed before this House were a little less than that, but I know from speaking to and corresponding with these groups that they are pleased with what has been suggested to the government for inclusion in the legislation.

Death is taking its toll, Mr. Speaker. If we delay this bill much longer, these men will not be here to enjoy the benefit of any increase in the disability pension that might be forthcoming. The Grim Reaper will come. We plead, on humanitarian grounds, for the government to be generous and do something to help these people while the breath of life is still in them.

If the debate is allowed to continue, I am sure my colleagues will bring forward other points in an attempt to persuade the government to introduce the legislation we seek. If the government should move adjournment of the debate—which I hope will not happen—it will mean they are not prepared to give our veterans what is due to them. Hon. members who are veterans and sat on the Standing Committee on Veterans Affairs know precisely what we are talking about and I am sure they will support us. They must do their utmost—I am sure they will—to persuade the government not to cut off discussion of this legislation.

Members on all sides should have an opportunity to express their views, so that it is not just the mover of the motion, the hon. member for Winnipeg North Centre, and myself as seconder, placing this matter before the House for proper disposition. The disposition will be, I hope, that debate will be allowed, and not cut off peremptorily. The minister has indicated that he wishes to speak. I hope he will tell us that he has been able to convince his cabinet colleagues that a date will be set for legislation to be brought before the House. I am sure members on all sides would be happy with that.

With all the sincerity I can muster, Mr. Speaker, I urge the government to do something to help these people whom the standing committee unanimously recommended should be rewarded for their suffering as prisoners of war in World War II in the prison camps of western Europe or wherever they may have been incarcerated.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, before I enter the crux of the subject, I would like first to say that I was very happy to see your wisdom in making your ruling with respect to the consideration of this report. I would like now to point out that you said in your remarks that you did not want to leave the impression that the hon. member for Winnipeg North Centre (Mr. Knowles) was imposing his dictates on the House but I think on several occasions it would be wise to accept the proposals of that hon. member who has the wisdom and the experience of many years spent in this House, and I would like to congratulate him for all the positions or at least part of the positions he takes in standing up for those who are in distress.

Mr. Speaker, I would also like to take this opportunity to congratulate the hon. member for Winnipeg North Centre as well as the hon. member who seconded him, the hon. member who preceded me, for introducing a bill which I think deserves very special attention. In any event, I pointed out to him on behalf of my party that we welcome deeply the proposals of this bill to provide allowances for all former prisoners of war.

Furthermore, it gives me pleasure to see that the steps called for in this committee report show beyond a doubt that former prisoners of war are entitled to the gratitude and respect of the whole country. In any case, there is no doubt that in the present economic context marked by higher prices affecting all walks of society the passage of those measures is going to help them. Indeed, one cannot ignore the needs of the veteran who must face like all of us and any other citizen the rising cost of living. For that matter, we see from day to day the gradual erosion of the real value of the benefits now being paid by the federal government to veterans.

Mr. Speaker, I would like at this point in my speech to quote a few excerpts from the report by Dr. J. Douglas Hermann which I think are excellent and of very great value. If I may I will quote a few excerpts to sum up the conclusions of that report. First of all, in connection with the number of known deaths among veterans.

Based on known deaths, the death rate since repatriation among Dieppe POW is slightly higher than for the control group and substantially higher than for other POW groups.

Based on known deaths, former prisoners of war showed a significantly higher death rate at an earlier age than control veterans who had not experienced incarceration.

All this, Mr. Speaker, to show that veterans who are former POW suffered a lot more than those who fought on battlefields, because they were deprived of many things, separated from and sometimes forgotten by their own.

The Hermann report says:

On a sub-group basis this tendency was most pronounced for Air Force POW.

Based on known deaths, the Dieppe POW experienced a significantly higher mortality rate from cardiovascular disease in general and ischemic heart disease in particular than any other study group.

As regards pensions:

(a) As a percentage of the original numbers of POW, the Dieppe group at 36 per cent has the highest percentage of any of the study groups on pension. The other groups are fairly uniform, with approximately 22 per cent on pension.

(b) As a percentage of POW groups included in the study, the Dieppe group at 54 per cent has the highest proportion of all study groups on pension.The other groups are close to the Dieppe group with 50 per cent of their numbers on pension.

(c) All POW groups examined show that approximately 80 per cent of their numbers who are pensioned receive pensions below the 48 per cent rate.

As a group, the Dieppe POW were incarcerated longer than any other of the study groups surveyed.

The martial status profile of POW and Controls is approximately the same. Both groups slightly exceed the general population rate with respect to broken families.

In the area of health:

A significantly lower percentage of Dieppe POW than that of any other study group report that their health has remained unchanged over the past ten years.

Significantly more POW than Controls report premature aging as being responsible for deterioration of their health.

Significantly more Controls than POW report increases or worsening in pensioned disabilities as being responsible for deterioration in their health.

There is little difference between total POW and Controls in reporting the onset of non-pensioned disabilities as being responsible for deterioration in their health. On a sub-group basis, the Dieppe POW report a significantly lower incidence of non-pensioned disabilities than any other sub-group.

The Dieppe POW report a significantly higher incidence than any other group of experiencing a combination of the three factors which in the author's opinion, for the purposes of this study, constitute a general deterioration in health, i.e., premature aging, increase in pensioned disabilities, or onset of non-pensioned disabilities.

A significantly higher percentage of POW than Controls report nervous conditions. On a sub-group basis the Dieppe POW report the highest incidence of nervous conditions.

Approximately the same percentage of POW and Controls report that their nervous conditions have had adverse effects on their wives and children. On a sub-group basis, a higher percentage of Dieppe POW report adverse effects from this source on their families.

There is little difference in percentages between total POW and Controls in reporting whether their families were adversely affected by lack of contact due to incarceration or wartime service. On a sub-group basis, the Dieppe POW report a significantly higher incidence of adverse effects resulting from lack of contact.

Mr. Speaker, I should like to point out that, in any event, examination of the report reveals that the specific study made of the Dieppe POW proves that they suffered more than the others.

● (1620)

Besides, I remember that the Minister for Veterans Affairs had told the House that, broadly speaking, the government had decided that the recommendations Dr. Hermann put forward in his report would not be accepted but that, on the other hand, it would uphold its final decision until such time when the Standing Committee on Veterans Affairs would issue its report.

Today we have the long awaited decisions of the committee. Mr. Speaker, I think it can truly be said that the Standing Committee on Veterans Affairs has, on many occasions in the past, demonstrated that it was unprejudiced and genuinely eager to improve the lot of the veterans.

The recommendations which are being presented to us today may be regarded as reliable and it is our duty to see ot it that they be passed. For it is a well known fact, Mr. Speaker, that for years veterans have been hoping that the consideration of their case would result in recommendations aiming at the fulfilment of their needs.

We must admit, Mr. Speaker, that the Dieppe prisoners were treated in a very brutal manner. Incidentally, the effects of imprisonment still remain. We are now aware that it is urgent to meet favourably the requests of the Dieppe prisoners as well as those of all the others, because we must admit that World War II prisoners captured during the Dieppe battle have suffered as much, if not more, as any other Canadian veterans.

[Mr. Allard.]

Unfortunately it seems that those priosners have yet to gain sympathy from the government, considering Dr. Hermann's report which tries to give those war prisoners the same status as that of Hong Kong prisoners which has long since been recognized. Mr. Speaker, why are they refused what they deserve, for they deserve it as much or even more than Hong Kong prisoners.

In my opinion, those men suffered as much as those captured in Hong Kong and, in all fairness, their requests should be granted. If we judge by waht has been said, the recommendations which have been made are not that much exaggerated and meet quite adequately the real needs of former prisoners of war.

Mr. Speaker, it would be normal to treat these people in the same way as all veterans and prisoners who, because of distress or traumatism provoked either by their capture or imprisonment, also suffer physiological troubles.

In fact, if I am not mistaken, the veterans captured at Dieppe in 1942 were interned longer than any other group of Canadians serving overseas.

Mr. Speaker, I am aware of course that the Canadian government probably agrees that these proposals are timely in view of the present economic and social conditions. I therefore hope with all my heart that the government will understand the significance of the unanimous decision made by the committee and will also ensure that all necessary action is taken for this proposal to adequately meet the needs of former prisoners of war, because I believe that they must live in honour and dignity, and that if there is a group who deserves a special place in our society, it truly is that of those prisoners of war.

Therefore, Mr. Speaker, once again, it is with great pleasure that I support the motion of the hon. member for Winnipeg North Centre. I hope that many anonymous members, as was so ably said by the government member, will take their responsibilities and reflect for a few moments on all the suffering that these brave soldiers had to face to defend our freedom. In fact, I have before me the Minister of Veterans Affairs who lost an arm and a leg himself, I believe. I am convinced that if he goes back a few years to the time when he was fighting with his brothers in arms to defend our liberty, he will agree that all these brave soldiers, all these former prisoners, deserve all our understanding. I therefore believe that in all fairness, we should follow up on the report now before the House.

I thank you, Mr. Speaker, and once again I hope that the minister will be able to bring us good news.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Under the Standing Orders of this House, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the hon. member for Humber-St. George's-St. Barbe be now heard.

● (1630)

Mr. Deputy Speaker: The hon. member for Grenville-Carleton (Mr. Baker) has risen on a point of order under Standing Order 29, at page 24 of our Standing Orders, which reads as follows:

When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place; but a motion may be made that any member who has risen "be now heard", or "do now speak", which motion shall be forthwith put without debate.

I will put the motion.

Mr. Blais: Mr. Speaker, I rise on a point of order. I would point out to the hon. member for Grenville-Carleton (Mr. Baker) that it is now twenty-five to five and we have private members' business at five o'clock. If we vote on this particular motion he will be depriving the Minister of Veterans Affairs (Mr. MacDonald) of participating in this debate.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I have great respect for the hon. member for Nipissing (Mr. Blais). Perhaps it has escaped his notice that today is Thursday and the House will sit this evening.

Mr. Deputy Speaker: Pursuant to Standing Order 29, I will put the motion at this time.

It is moved by the hon. member for Grenville-Carleton (Mr. Baker), seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the hon. member for Humber-St. George's-St. Barbe be now heard.

It is the pleasure of the House to adopt the said motion?

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Baker (Grenville-Carleton)) which was negatived on the following division:

[Division No. 87]

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Baker (Grenville-Carleton)
Bawden
Benjamin
Brisco
Broadbent
Cadieu
Caouette (Villeneuve)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Darling
Dick
Diefenbaker
Dionne (Kamouraska)
Ellis
Epp
Fairweather
Forrestall
Fortin
Friesen
Gilbert
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Howie
Jarvis
Jelinek
Johnston
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lavoie
Lawrence
MacDonald (Egmont)
MacLean
Malone
Marshall
Matte
Mazankowski
McCain
McGrath
McKenzie
McKinley
Mitges
Muir
Murta
Neil
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Ritchie
Rynard
Schellenberger
Scott
Smith (Churchill)
Stanfield
Stewart (Marquette)
Symes
Towers
Whiteway
Wise
Yewchuk—76

NAYS

Messrs.

Abbott
Allmand
Andras (Port Arthur)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Buchanan
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Dupras
Duquet
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Joyal
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Lapointe
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacFarlane
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Ouellet
Pearsall
Pelletier
Penner
Philbrook
Portelance
Poulin
Railton
Raines
Roberts
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stollery
Tessier
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whelan
Yanakis
Young—103

● (1710)

Mr. Speaker: I declare the motion lost.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It being after five o'clock, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for High Park-Humber Valley (Mr. Jelinek)—Olympic Games—Criteria used in awarding contract for stamp medallion to Jacques Cartier mint; the hon. member for Elgin (Mr. Wise)—Agriculture—Surplus of skim milk powder—suggested use in food aid programs; the hon. member for Perth-Wilmot

(Mr. Jarvis)—Agriculture—Comprehensive milk marketing plan—inquiry whether agreement amended to permit increased cheese imports.

It being after five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions (papers), private bills, public bills.

Mr. Blais: I rise on a point of order, Mr. Speaker. The Minister of Veterans Affairs (Mr. MacDonald) was seeking the floor to be recognized so that he could commence the debate at eight o'clock.

Mr. Speaker: I only wanted to indicate to the House that, it being after five o'clock, on this day the House must proceed immediately to the consideration of private members' business. In my view, the House is not able to address itself in any way to the subject matter of the orders of the day, the matter of motions, because we are now in private members' hour.

Mr. Blais: On a fresh point of order, Mr. Speaker, dealing with private members' business, I would move that all notices of motion be allowed to stand at this time so that we might proceed with Bill S-29 in the name of the hon. member for Gloucester (Mr. Breau).

Mr. Speaker: The House has heard the suggestion of the Parliamentary Secretary to the President of the Privy Council (Mr. Blais). It is agreed?

Some hon. Members: Agreed.

PRIVATE BILLS

[*English*]

AMALGAMATION OF EASTERN CANADA SAVINGS AND LOAN COMPANY AND CENTRAL AND NOVA SCOTIA TRUST COMPANY

Mr. J.-J. Blais (for Mr. Breau) moved that Bill S-29, to enable the Eastern Canada Savings and Loan Company and Central and Nova Scotia Trust Company to amalgamate, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Nystrom: Mr. Speaker, I wonder whether the mover intends to make a statement at this time. If not, some of us on this side would like to participate. I think, however, the mover should probably speak first to enlighten us in respect of some of the questions we might ask.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this bill seeks to amalgamate the Central and Nova Scotia Trust Company and the Eastern Canada Savings and Loan Company. Through an anomaly it is impossible to do that either under the Loan Companies Act or the Trust Companies Act without this particular legislation being enacted. The Eastern Canada Savings and Loan Company was incorporated in 1887 and has carried on business since that time. It is a loan company subject to the Loan Companies Act of Canada. Its head office is in Halifax. It has 11 branches in various towns and cities throughout the Atlantic provinces. On December 31, 1974, its assets were $368 million and its shareholders' equity was $18 million.

Central and Nova Scotia Trust Company was formed on January 1, 1974, on the amalgamation of Central Trust Company of Canada and the Nova Scotia Trust Company. It is subject to the Trust Companies Act. Its head office is in Halifax and its executive office is in Moncton. It has 23 branches in the Atlantic provinces and none in Saskatchewan. Its assets on December 31, 1974, were $378 million. Its shareholders' equity was $19 million.

As I have indicated, Bill S-29 would permit amalgamation of the two companies. However, the bill is permissive, not mandatory, and prior to amalgamation being permitted certain steps would have to be taken. The amalgamation agreement would have to be completed by the directors in such a way as to conform with the provisions of the Trust Companies Act under which it would take place. As well, there would have to be ratification of the agreement by the shareholders. I might point out that the shareholders of both companies have authorized the bill to proceed. There would also have to be a recommendation of the Minister of Finance (Mr. Macdonald) on the report of the Superintendent of Insurance and the approval of the amalgamation agreement by the governor in council. So, effectively, before amalgamation can take place all these matters must be dealt with, including order in council approval of the amalgamation agreement.

● (1720)

It is not a complex bill but it is required because there is an anomaly in the situation, there being two separate statutes governing these two companies. In effect, had they sought amalgamation under either the Loan Companies Act or the Trust Companies Act it could have taken place if the two applicants had been either loan companies or trust companies. So I suggest that indeed this is not a controversial matter. It was before the Senate Committee on Banking where it received a complete hearing. The matter now must proceed to the Standing Committee on Finance, Trade and Economic Affairs and I suggest that the House should see fit to pass the bill with due dispatch.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, contrary to what some of my colleagues across the way might expect, I will not raise any points of order with regard to this bill, I will be perfectly amenable and say that I also share the mover's support for this bill, as I am sure my colleagues do. As explained by the Parliamentary Secretary to the President of the Privy Council (Mr. Blais), it is the result of an anomaly. I have not seen a transcript of the hearings in the other place, but I am sure that explanations will be furnished to members of the committee.

There is one thing that I find somewhat unfortunate. Among those who are the sponsors of bills of this kind, or among their legal advisers, there are some who do not take cognizance of the parliamentary calendar. We have reached the point where a bill of this nature can be considered in the House on alternate Thursdays, but even today a number of matters had to be put aside in order to give this bill priority. I think the parliamentary secretary will agree with me that this situation almost resembles the

scheduling that must take place before launching a satellite. There must be some sort of atmospheric window or aperture which is open for only a short time every two weeks when such a bill may be discussed in the House, and everyone is rushed in order to get it to the committee. The committee sometimes goes through a rather precipitate discussion or examination in order to push the bill through so that it can return to the House and be considered at report stage and third reading on one of these extremely rare occasions.

If I may say so, with regard to this session of parliament, today may be the second last of the Thursdays on which a bill of this nature may be considered. I do not think that is quite fair to those people who rely upon a very serious and important business decision, because the history of these two companies will show that certainly one of them is the principal lender of mortgages for construction of residences in rural areas in Nova Scotia, an area which is rather neglected by other lending institutions.

Each of these organizations, as is the case with many things coming from Nova Scotia—here I am not trying to polish an apple for my leader—have a good reputation and have demonstrated a care which commends itself to financial administration in the rest of the country as an example of how an organization put together by people in rural areas, small towns, etc., gathers the savings of thrifty people rather than from the wealthy, mobilizes those savings and invests them in the development of the community. This is something that should be encouraged in this country and I hope we will see more such examples.

If we have to take time out when we could be discussing some other most important matters, certainly I do not begrudge that time and I do not think any member of the House should. I hope the House will see fit to give this bill second reading and send it to the committee. As a member of the committee, I can assure hon. members that it will receive careful consideration at the earliest opportunity and be back in the House once the committee has had an opportunity to discuss it.

My only reservation, and I think I have made these views known, is with regard to the timing of these bills. In some cases it is due to circumstances beyond the control of the sponsors, but all too often it is not. It is only salutary to talk to the solicitors on behalf of the principals in matters of this kind, or in the incorporation of a bank, because one thing that has given us a great deal of trouble, unfortunately, is the fact that bills have had to be put forward to the next session of parliament. This causes a great deal of unnecessary cost and uses up a lot of unnecessary time in order to achieve a relatively simple end. With that note, I commend the bill to the House for second reading.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the bill before us today, as I understand it, is neither fish nor fowl. As I understand the legislation, two trust companies want to amalgamate. They can get permission from the Minister of Finance (Mr. Macdonald) to amalgamate, without coming to parliament, under section 82 of the Trust Companies Act. However, today we have one trust company and one loan company which wants to amalgamate. It is rather like a case of marrying a horse to an elephant.

If we are going to do something like this, for all I know it might be a good move. I wish the hon. member sponsoring the bill were here, or the hon. member seconding the bill. They should be here to explain what is involved and why these two companies want to amalgamate. I have a great deal of respect for the parliamentary secretary. He may know more about these companies than I do. He is not from the Atlantic provinces, which this bill affects, so he probably does not know very much more than me. These companies are in operation only in the Atlantic provinces. I want to know more about them. I want to know the record of these two companies and how they are treating the ordinary people in the province of Nova Scotia. Perhaps the Leader of the Opposition (Mr. Stanfield) or someone else could enlighten the House in this regard. Do they lend out mortgage money at decent rates?

● (1730)

An hon. Member: They cannot if they are loan companies.

Mr. Nystrom: It seems to me that it would be difficult for us as parliamentarians to pass this bill quickly when the mover is not here and no one is explaining it. I should like someone on the other side to provide the answers.

When I look at the trust and loan companies I see them as very powerful institutions, along with the private banks. And when I see two of these companies wanting to amalgamate then I ask why they want to get together. What good is it going to do the people of Nova Scotia? Perhaps it will be good, but I want someone in this House to tell me what benefit there is in this for the people of Cape Breton, Halifax, and Dartmouth.

The Eastern Canada Savings and Loan Company and Central & Nova Scotia Trust Company want to amalgamate, but what will the impact be on the social well-being of the people of Nova Scotia? From what the parliamentary secretary said, both companies are quite large and have considerable assets. How are they going to use their funds? Will they pump money into housing, or help the small communities in Nova Scotia to improve their lot? Are they going to lend money to fishermen, to farmers, to the working people in the province?

As a parliamentarian I cannot agree to pass this bill blindly and let them do whatever they wish. Until I have an answer to some of these questions I cannot facilitate the passage of the bill. I think someone on the other side should be able to tell us the record of these companies, what their involvements are, and what plans they have for the future. Will they help the poor coal miner in Cape Breton or the fisherman in Nova Scotia? If the answers are positive then I see no reason why the bill should not pass, but for God's sake let us not pass something about which we know nothing. Give us the details and tell us why we should spend our time on a bill like this.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, like my colleagues I am curious why this bill was brought in late. From the report of the Senate committee I notice that it was first suggested to the Minister of Finance (Mr. Macdonald) in June and he gave his approval for the amalgamation of these two institutions. The bill then went to the Senate. The Chairman of the Senate committee was Sena-

tor Salter A. Hayden and the questions he asked made it sound as if the amalgamation was going through. He is more the bankers' banker than the banking people themselves. It is interesting to note the leading questions asked by the chairman which allowed both companies to put forward their views.

The Central Nova Scotia Trust Company has assets of $378 million, and I gather that the other company has assets of about the same amount. They are about the same size. Some of the questions related to the structure of the new company and the advantages flowing from this bill. It was indicated that the loan company was restricted in the extent of its business, and the advantage would be that of having both companies come under trust legislation.

Both companies appear to be fairly healthy. The loan company stocks are selling in the eastern Canadian market at 12¼ and 12½ on the Toronto and Montreal stock exchanges. The trust company shares are not listed but are selling at approximately 14 or 14¼. I gather that this is not a case of distress where one company would support the other through amalgamation, but that both companies are of relatively equal value and are successful.

Apparently one company cannot issue guaranteed investment certificates while the other one can. It seems there is an advantage for the loan company in amalgamating with the trust company and the amalgamation will give them a larger lending capital. I quote the argument of the chairman of the Eastern Canada Savings and Loan Company at the hearings of the Standing Senate Committee on Banking, Trade and Commerce on November 5, when he said as reported at page 7:

> We feel that if we were to combine in this way we would be able to reduce our costs of operation. We feel that if we could keep our costs and our charges to the public down, we would strengthen our position as regards competing with other large national trust companies in Canada. I think we would be enabled to employ in and to attract to our organization a better quality of staff than we can as two separate companies of smaller size and strength. We would like to take a look at the possibility of expanding out of the Atlantic provinces, where we have now built a pretty strong base, and possibly become a national company. We do not feel we could do this with the assets that each of us has available now and in the light of the possible likely expansion of those separately over the next few years. This is an attraction.
>
> In the case of The Eastern Canada, which is a loan company, we feel that while in recent years the enlargement of powers of a financial nature has largely been given to the trust companies and banks, the loan companies have been more or less restricted in their ability to provide additional services to the public. This has been a constraint upon us. To the extent, therefore, that The Eastern Savings and Loan Company is part of this concept, we feel that by becoming part of a trust company we will be able to have wider powers than otherwise.

I am not from the maritimes and so am not familiar with the vast operations of these companies. I presume that they have been fairly active in the maritimes and have been long established in many communities there. I am a little concerned, however, that one of the reasons why they want power is so they can expand outside that area. This is really in conflict with some of the arguments made to us in the past, particularly where regionalization has been an aspect of developing institutions. I am referring, of course, to regional banks established either in western Canada or British Columbia in order to serve the people of the immediate area. The idea is that the people of the region who deposit money should be able to borrow money.

● (1740)

The committee should consider if these two companies, by amalgamating, will better serve the people of the maritimes, or if their intention is merely to operate as another large, national trust company which will compete with the banks for mortgages and savings deposits. I suggest that this House and the people of the maritimes ought to consider this question carefully. Will these amalgamated companies operate nationally, or will they serve the people of the maritimes who are depositing the money and may want to borrow some?

The parliamentary secretary said that the offices of these companies are dispersed throughout the maritimes. I presume that they serve exclusively their particular areas, that is, that money is collected and paid out in the maritimes.

You know, Mr. Speaker, I am always skeptical when I see people like Senator Hayden, a man who has held about 100 directorships in companies engaged in virtually every aspect of finance in this country, asking witnesses questions about finance. The senator was in the chair when the Banking, Trade and Commerce Committee of the other place met on Wednesday, November 5, 1975. Allow me to put on record an exchange involving the chairman, Senator Hayden, and Mr. Connor, chairman of the board of The Eastern Canada Savings and Loan Company, as reported on page 56:7 of the proceedings of the Senate Standing Committee on Banking, Trade and Commerce. I quote:

> THE CHAIRMAN: I understand that the trust companies, with the enlargement of their powers, are competitors of yours in the field of lending, which is your prime business.
>
> MR. CONNOR: That is right.
>
> THE CHAIRMAN: And yet, as a loan company, you are under such restrictions as render you unable to compete with them in the other varieties of services that they offer.
>
> MR. CONNOR: That is exactly so, sir.
>
> THE CHAIRMAN: So what you want to do is put these two companies together as a trust company, which will give you an enlargement of powers.
>
> MR. CONNOR: That is right.

If those were not leading questions, I do not know what are. If the witness had wanted to answer in that manner of his own volition, he could have done so. The senator, who had been involved, as I said, with close to 100 directorships in the financial field, did not hesitate to lead the witness and elicit the information he wanted. No one asked if the chairman himself was directly involved with those two companies. That is not beyond the realm of possibility either. For all these reasons I cannot look impartially on the machinations of the other place. I do not think that committee investigated thoroughly. I hope our committee will do a better job.

People living in various regions have complained, legitimately I think, that they find it difficult to borrow money locally. That is why this House permitted the establishment of a bank in western Canada and other areas. It was felt that the people who make deposits should also be able to borrow, and that as the bank collects from the local area

it should serve the local area where the need for service exists. For this reason I hope that the amalgamated companies will not become merely another large trust company operating on the national market, to the disadvantage of local borrowers. If this happens, if the new company finds it more advantageous to lend money in the Toronto market or the industrial market, I suggest that the maritime people will find it more difficult to borrow. Clearly the companies involved in the larger market will not necessarily serve the needs of the maritimes. If this were to happen, I would oppose this amalgamation.

Already the people of our less fortunate areas, among which I include the maritimes, northern Ontario, and other distressed areas, find it less easy to borrow than do people of other areas. Although people in our less fortunate areas make deposits, they cannot borrow money so readily. Of course if you want to take comparisons to their logical extreme you could say that we all live in a disadvantaged area, when compared to our neighbour to the south.

I hope the committee will look into this matter closely, and determine if the amalgamated company will serve the people who deposit, or whether it will serve the larger market and compete with other large trust companies, like Canada Permanent.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I thank hon. members opposite for their interest in this bill.

The Acting Speaker (Mr. Turner (London East)): Order, please. If the parliamentary secretary speaks, he will close the debate.

Mr. Blais: Mr. Speaker, I commend the two members of the NDP who spoke and indicated their interest in this bill. I am glad the hon. member for Timiskaming (Mr. Peters) said he will pay particular attention to this bill in committee. I suggest some of the questions he asked in the House ought to be directed to witnesses who will appear before the committee.

The shares of the two companies seeking amalgamation are widely held and traded both on the Toronto and Montreal exchanges. There are more than 1,000 shareholders in both companies. The hon. member perhaps suggested that shareholders are concentrated in central Ontario. I suggest that this is not correct as historically large numbers of shareholders in these companies have been eastern Canadians.

I suggest there is an advantage to the company's seeking moneys by issuing guaranteed income certificates and obtaining funds from the money markets of central Canada, because that ability would widen its base. The amalgamation will provide roughly $800 million to the newly amalgamated company, which is a substantial increase of the financial base compared with what was available to each individual company previously. The Trust Companies Act will permit the newly amalgamated company to do exactly what was done in the past through the trust sections of the companies involved, namely, lend money on mortgages and act as real estate agent in areas where the people cannot afford to retain their own real estate agents, such as in the small rural areas of Nova Scotia.

I suggest to hon. members opposite that the company will concentrate its operations in eastern Canada, as in the past, as there is need for greater concentration of capital in that area. Of course when we talk of capital concentration we talk of the acquisition of capital through the sale of shares and through normal activity on the money markets. Effectively, with a larger base there is greater opportunity to obtain greater capitalization.

● (1750)

I thank hon. members for their interest in the bill. I am sure the hon. member for Gloucester (Mr. Breau) and the hon. member for Dartmouth-Halifax East (Mr. Forrestall) are very pleased that the House is willing to let this bill go to committee.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Baker (Grenville-Carleton): Six o'clock.

The Acting Speaker (Mr. Turner (London East)): The time allotted for the consideration of private members' business having expired, I do now leave the chair until eight o'clock this evening.

At 5:54 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

MOTION FOR CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion of Mr. Knowles (Winnipeg North Centre) that the seventh report of the Standing Committee on Veterans Affairs, presented to the House on Thursday, June 12, 1975, be concurred in.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I rise to reply to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Norfolk-Haldimand (Mr. Knowles),

and the hon. member for Rimouski (Mr. Allard) concerning the seventh report of the Standing Committee on Veterans Affairs.

As hon. members are aware, I commissioned a study of the long term effects of imprisonment on Canadian servicemen who were taken prisoners of war in Europe during World War II. This study was carried out by Dr. Douglas Hermann, who is thoroughly experienced in all aspects of veterans' medical care and is himself a veteran. Upon completion, Dr. Hermann's study was presented to me and I, in turn, tabled the report in the House. It was referred to the Standing Committee on Veterans Affairs which spent many meetings examining it. Deputations from many veterans' organizations, including the POW Associations, were heard by the committee. Officials of both the Department of Veterans Affairs and the Canadian Pension Commission also attended these meetings and gave evidence when requested.

The statements given by the former POWs before the committee revealed very graphically the conditions of their day to day existence in the prison camps. While some only suffered these experiences for weeks or months, some lived through them for several years.

The unanimous decision of the standing committee was to recommend to this House that certain new legislation be enacted to provide compensation to all former prisoners of war. This decision of the standing committee was presented to the House on June 12, 1975.

The Hermann Report has been before the government and I have discussed it with my cabinet colleagues. I must remind hon. members that all departments have new legislation, or changes in regulations, for which they would like to secure cabinet approval. The successful attainment of these goals is limited by competing priorities and available resources. As all hon. members are aware, the government is committed to a policy of restraint in spending in its campaign to halt and reduce inflation, and no department is immune to this pressure. However, it is important that I make a strong commitment to all members of the House that the matter which hon. members have raised is still before the government for a final decision along with other important programs for my department and many other departments.

I move, seconded by the President of the Privy Council (Mr. Sharp):

That the debate be now adjourned.

Mr. Deputy Speaker: Under the provisions of Standing Order 25 and Standing Order 32 it is my duty to put the question at this time.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those against will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

[Mr. MacDonald (Cardigan).]

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. MacDonald (Cardigan)) which was agreed to on the following division:

● (2010)

(Division No. 88)

YEAS

Messrs.

Abbott
Allmand
Andras
(Port Arthur)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Buchanan
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Drury
Dupras
Duquet
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Goodale
Guay
(St. Boniface)
Guilbault
Haidasz
Harquail
Herbert
Hopkins
Isabelle
Joyal
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Lapointe
LeBlanc
(Westmorland-Kent)
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacFarlane
Maine
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Ouellet
Pearsall
Pelletier
Penner
Philbrook
Portelance
Poulin
Raines
Roberts
Rompkey
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stollery
Tessier
Trudeau
Trudel
Turner
(London East)
Watson
Whelan
Young—99

NAYS

Messrs.

Alkenbrack
Allard
Baker
(Grenville-Carleton)
Benjamin
Brisco
Broadbent
Cadieu
Caouette
(Villeneuve)
Clarke
(Vancouver Quadra)
Cossitt
Crouse
Darling
Dick
Dionne
(Kamouraska)
Ellis
Epp
Fairweather
Forrestall
Friesen
Gilbert
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hees
Jarvis
Jelinek
Johnston
Kempling
Knowles
(Winnipeg North Centre)
Knowles
(Norfolk-Haldimand)
Lambert
(Edmonton West)
La Salle
MacDonald
(Egmont)
MacLean
Marshall
Mazankowski
McCain
McGrath
McKinley
Muir
Murta
Neil
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Ritchie
Schellenberger
Scott
Smith
(Churchill)
Stanfield
Stewart
(Marquette)
Towers
Whiteway
Wise
Yewchuk—60

● (2050)

Mr. Speaker: I declare the motion carried.

Motion agreed to and debate adjourned.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

Hon. Otto E. Lang (Minister of Transport) moved that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the third time and do pass.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Broadbent: Mr. Speaker, on a point of order—

Mr. Speaker: The hon. member for Oshawa-Whitby (Mr. Broadbent) on a point of order.

Mr. Broadbent: Mr. Speaker, while the Prime Minister (Mr. Trudeau) is in the House I should like to refer to proceedings earlier in the day when he indicated he would be willing, or the government would be willing to make a statement in the House concerning the cabinet decision with regard to the postal workers' settlement.

Could we have an indication from the government House leader at this time of what the intention of the government is on this matter? Do we now have to ask for unanimous consent to give the Prime Minister, or another minister an opportunity to make a statement? In our view this would be entirely appropriate. Or is it intended to obtain unanimous consent for the tabling of a statement? This, in our view, would not be appropriate, but it would also require unanimous consent.

● (2100)

If I may elaborate on the point of order, the cabinet decision is of great importance. We feel strongly that the statement should be made in the House, even if that requires unanimous consent to go somewhat beyond ten o'clock. The statement should be made by a responsible minister, and the official opposition and representatives of other parties should be given the opportunity to reply.

Mr. Sharp: Mr. Speaker, speaking on the point of order, I have discussed this matter with the leaders of the other parties. Unfortunately we in the cabinet have devoted so much time here, to the House—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Sharp: —that we have been unable to devote as much time as we should have liked to this important issue. I had hopes that we could spend the day more fruitfully than coming down here for votes.

Some hon. Members: Oh, oh!

Mr. Sharp: It would have been our intention to have the statement made in the House. I do not know whether it will be possible, and I speak on behalf of the Prime Minister (Mr. Trudeau) when I say this, to complete the decision and put it in the form of an announcement. If we have completed our work by ten o'clock I hope it will be possible for the minister to come here and make a statement in the House. That is our intention and desire. But I hope that such a proceeding will not be of the ordinary kind which involves a long period of questioning.

Some hon. Members: Oh, oh!

Mr. Sharp: I think, if there is unanimous consent for this proceeding, that it will be acceptable to the leaders of the other parties if the minister makes a statement, if there are responses from the other parties, and if we then conclude the proceedings.

Mr. Speaker: Order, please. Before recognizing the Leader of the Opposition (Mr. Stanfield) on the point of order I suggest that the question of unanimous consent for some sort of statement and reply will depend on the time when any minister may appear in the House and ask for specific consent. That, of course, will depend on when he reappears and, presumably, for what he seeks unanimous consent. I think we ought to leave the matter until that time rather than speculate on what might be consented to at this time and what might occur between now and ten o'clock.

Mr. Stanfield: Mr. Speaker, as I already told the government House leader, any such statement would relate to a matter of fundamental importance and ought to be made in the House. I conveyed that to him privately. I assume he accepts that, coming from me. I regret that the government has so mismanaged the work of the House today that it has been necessary to go through these proceedings.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: It has so mismanaged the conduct of the House today that it has been necessary for it to spend a disproportionate amount of time here. It has probably been good for it, even at that.

Mr. Guay (St. Boniface): Bob, you have not changed.

Mr. Stanfield: No, I don't change, Joe.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I ask hon. members who wish to leave to leave quietly and allow the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) to make his remarks.

Some hon. Members: Order, order!

Mr. Deputy Speaker: Order, please. I ask hon. members either to sit down or leave the House.

Mr. Knowles (Winnipeg North Centre): If they want to talk, they are supposed to leave.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the lot of the House leader is never happy, particularly near the end of the session or when we are close to adjournment. I am sure the present House leader will long remember this day as one on which the worst fumbles in his experience were committed.

We are debating on third reading Bill C-41, which deals with the stabilization of net proceeds from the production and sale of western grain. As I said on second reading, I think every party in Canada during the last 35 or 40 years has agreed in principle that the incomes of those engaged in an industry subject to such tremendous cyclical fluctuations as grain farming ought to be stabilized. Also as said on second reading, any agricultural policy must adhere to five principles, of which stabilization of income is one.

I wish to make it clear that Her Majesty's loyal opposition supports the principle of stabilization of income not only for western farmers, but for farmers in other parts of Canada. That is the first part of our position.

The second part of the Progressive Conservative position is that we are of the view that farmers' opinions must be considered. In any stabilization scheme to which the farmer contributes, as he should, the farmers' views must be paramount—not the views of civil service experts, or of the minister, or of others. The views of the farmers affected ought to decide the issue. This bill offends that principle.

In the second reading debate members of my party asked that the second reading vote on principle not take place until we had talked to farmers directly and, face to face with them, discovered their views. But the inflexible minister in charge of the Wheat Board refused; hence we were forced to vote on the principle of this bill before we even knew what the farmers wanted. We said then that you cannot bifurcate responsibility for agriculture between two ministers, that agriculture is a monolithic industry, that one minister ought to be responsible, and that splitting responsibility between two or more ministers leads to trouble.

You cannot have several ministers responsible for policies to do with acceleration of grain sales, the stabilizing of prices, the stabilizing of incomes, the provision of a modern system of farm credit, and the overseeing of regional development programs. Despite these warnings from a party which represents the great majority of Canadian farmers, the government went its own way. As for farmers having some say in their own affairs, well, I can only say that this measure does not meet with their wishes.

Third, it is useless introducing a bill which asks for contributions from farmers, if the farmers do not understand it; because if they do not understand they will not participate, unless you force them and this they will not tolerate. Farmers are willing to participate, willing to pay their money, if they know what the pay-out will be. Good legislation should make that clear. But this proposal, as amended, is so complicated that not even an income tax lawyer can decipher it. I wager that not more than ten of our 250,000-odd grain farmers understand the bill. If more understand it, it will be a miracle.

I read the bill several times. I have gone back through all the clauses. I have difficulty trying to follow it through, even with the best of intentions. How can you ask a farmer to contribute up to $500 a year to this fund when he does not even understand what he will get out of it? On that principle of clarity, this bill is deficient.

● (2110)

As we found out this summer in talking to the farmers they want an individual plan, not complicated by a formula that only benefits the government. They want to contribute to a plan where they know what they are going to get out under certain circumstances or conditions. They are willing to pay into the fund. They are willing to be responsible for paying into that fund, but they want to know what the returns are going to be. I can speak with some knowledge on this point.

[*Translation*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the hon. member for Matane (Mr. De Bané) is rising on a point of order.

Mr. Pierre De Bané (Matane): Mr. Speaker, may I draw the attention of the House to the presence in the gallery of the Hon. François Cloutier, Minister of Intergovernmental Affairs in the Quebec government.

[*English*]

Mr. Benjamin: I will put my mother-in-law in the gallery, so I can introduce her too.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, apropos of what just happened, we do not hold you responsible for everything that happens in this House.

I was pointing out that the farmers want an individual plan. I was saying that I speak with some experience in this because I was present when the first crop insurance plan was put through. We found this difficult to sell to the farmer until one government, the government of Manitoba, sent out their field force to sit at the kitchen tables to explain to each individual farmer how he paid in, the government paid in, and the farmer got paid out. Now that crop insurance is widely accepted it is hard to believe it took 15 years before that acceptance came. I simply say that it is a futile use of the time of the members of this House to ask us to accept this bill when we know from experience that, if the farmers do not understand how the pay-out will occur, they will not sign up for it.

As a party you have a choice if you have this situation in front of you. We thought we could move in this House for a six months hoist which would have the effect of removing the bill from the House until the government could reconsider. In considering that you tend to ask yourself what it would accomplish. Will the government realize there has to be some form of cohesion in agricultural policy, and take this type of income stabilization legislation out of the hands of the minister in charge of the wheat board, who is too busy to look after the wheat board let alone look after this? Now that he is Minister of Transport he has no time for anything at all. I would go for a six months hoist if I thought the government would put this bill under the Minister of Agriculture (Mr. Whelan) so that members of parliament could hold at least one minister responsible for what happens to agriculture.

It would save a lot of time if we showed our feelings by voting against the legislation at third reading. However, that is not very constructive unless you have some alternatives to put forward. What we have decided to do in this debate on third reading is to put forward as a party a series of three or maybe four proposals that are simple, easy to understand, and based on individual responsibility. At the same time they will help the government achieve what it wants.

The interest of the government in stabilization is simple. If farm income rises and falls in great cycles, when farm income is low the income of primary and secondary industry soon falls off and we get into a recession. Therefore from a monetary and fiscal point of view, it helps the government if you can have a stable income in this very valuable industry so that the tax take remains relatively constant.

To give an example of the mathematics, if the government puts $2 into this fund, the farmer puts in $1, and payments out are made of the $3, that $3 goes through the system to the merchant, the transportation system, the manufacturers, and the primary industry. It has a multiplier effect of three. The $3 becomes $9 when you calculate the tax. If governments collect 40 per cent of the gross national product in tax, out of the $2 invested, the government gets back $3.60. That is the arithmetic of why governments want it.

Under the present plan the government will get back its $3.60 for sure, but the individual farmer does not know what he is going to get. He may get it when he does not want it. He may not get it when he needs it. Therefore it does not meet the farmer's test.

The proposals we are going to put forward meet the government's needs as well as the farmer's needs. These proposals will be made by the hon. member for Moose Jaw (Mr. Neil), the hon. member for Swift Current-Maple Creek (Mr. Hamilton) and, if he gets back, the hon. member for Mackenzie (Mr. Korchinski) will make the third proposal. There is also one that I will make.

My proposal is elementary and simple. It is first that we allow a variable levy. This means that, instead of being a rigid 2 per cent, the farmer is allowed to pay anything up to 2 per cent or at whatever they set the levy. I say this for a reason. From the evidence given by the farmers, they would like to pay a lot more than 2 per cent in the good years so they can have the privilege of paying less in poorer years when they do not have the money.

The principle of a variable levy is workable. If a farmer wanted to contribute more or less than 2 per cent, that would be his business. The government contribution would be a variation, a proportion of what the farmer has paid. That would be a simple principle that the farmer can understand. If it averages out at 2 per cent, as the government calculates is necessary, the farmer will pay his share.

The second principle is that this plan entails individual accounting. With our present type computers we have the ability to record all the money in, the money out, the interest and so on, on an individual basis for every person in Canada. We do it for the Canadian farmer in the grain business through the wheat board on his shipments to the wheat board and the credits to him. We can do it also with this question of income stabilization.

The third principle is the triggering formula. I really do not care so much for this particular item, but if they want to have a triggering formula it has to be based on the individual. The government can get the gross income immediately from the Canadian Wheat Board and its other sources. It is not hard to establish the gross income. The expenses can be obtained from the income tax forms. The income tax people can do this very simply by tagging the forms to be looked at. This is available for every individual. It is entered into the account. If you want to take a figure for triggering and get the average net income over several years, it can be done. On an individual basis the computer can be programmed so there is no time lost.

The fourth principle, and this is the important one, is that the individual alone decides when and to what extent he uses his individual fund. If he has had a series of good years and the fund is built up, and then he has a slight reduction below his average net income for five years, he does not have to take it unless he wants to take it. He himself decides what he wants to do with his averaging device. Likewise there might be a very bad year and he might want to take more out of the fund than would be normal if it were run by a regular formula. That is his business because, the fifth principle is when his own fund is exhausted, he draws down too much.

● (2120)

I do not believe the people of Canada should be asked to pay a subsidy to the farmer to stabilize his income. I think the farmer will accept that. He wants government off his back. He just wants a fair break. He wants his products sold. He wants to get an average price, a pool price, as they say, and he would like stability of income. But I do not think he expects the people of Canada to subsidize him in that regard. I would not be opposed, on this fifth principle of the program I am enunciating, to lending money to his fund, but he would have to pay interest on it, that is, if he wants to maintain the fund in a series of bad years.

I have put forward a simple, easily-understood type of proposal. It is actuarially sound. The individual decides how much he needs out of his own fund. If he doesn't take as much out as he needs, it is all his anyway. It is all credited to him. If he quits farming, it is there, available for him. Naturally he will pay income tax when he gets it, but the fact remains that the farmer individually is allowed to stabilize his own income.

Participation by the farmer and by the government is in the same proportion as in the bill before us. The government's interests are protected because if thousands of farmers experience a drop in income, a net drop over the whole area, the money would be paid out and go into circulation, and the government would get its taxes in the same way as usual. The interests of the farmer will be protected too, because he will know at all times that for every dollar he puts in he will get back three dollars. That is why he will buy the scheme.

It is in the interest of every Canadian to help this valuable industry stabilize its income, whether he works in a mine, or in the forest industry, or in a city. I say this because the chief sufferer and the chief beneficiary from variations in farm income is the person in other industries. I well recall in 1961, when we were in the recession of 1959 and 1960, there was a great influx of money from the sale of western wheat which pulled Canada out of the doldrums and set us on the longest period of growth this country has ever known, from 1961 to 1968. This was because the minute the farmer got his money he put it into circulation; it moved through the merchants and through secondary industry, the mines and the forests. As the head of the Bank of Canada at that time and as the minister of finance said at that time, this was the spark which brought Canada out of that recession.

I would like to see legislation of this type brought in. I would like to see a start made with a fund of this type.

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

This is how you keep the extra cost out of farming and how you protect the consumer against extra cost. If you stabilize a farmer's income you reduce his operating costs.

I put these views forward in very simple form as a bit of evidence that there is a constructive attitude on the part of Her Majesty's loyal opposition. We are not opposed to this legislation. We would just like to see the government pull this legislation out, keep the method of levies the same, keep the principle the same, but make the pay-out individual.

This doesn't mean anything, coming from me alone, unless I can bring evidence to show that this is the viewpoint of the farmers. We held five meetings of the standing committee in western Canada, and I am taking the evidence from two cities alone, Regina, on June 18, 1975, and Saskatoon on June 19, 1975. I am asking the government to note the source of the evidence. I am quoting from the deputy minister of agriculture for the province of Saskatchewan given on June 18, and reported at pages 12 and 13 of the Minutes of Proceedings. My question to Mr. Dalgliesh, the deputy minister, reads as follows:

> My first question deals with your brief on page eight, headed off by the statement:
>
> "The plan does not provide individual commodity or regional income stability."
>
> I would think this is the heart of the principle of this bill. This bill is an attempt on the part of the government to provide area stability to an industry, the whole Wheat Board area. You collect individually from the producers but the pay-out is for an area. My question specifically to you, is: in view of the difficulties we have had over the years with PFAA in trying to plan regions and boundaries, in view of the fact that farmers if they are going to accept this bill and go into it in large numbers and in view of the fact that we have had the experience of the crop insurance approach, whether the area approach or the individual approach is most attractive, would you think it would change this basic principle of the present bill to one of individual approach whereby the individual is allowed to decide whether he wants to go into the plan, and his gross income is easily ascertained, and where his expenses to the National Revenue Department are easily ascertained, we could have much wider acceptance on the part of individual farmers rather than on a complete Board area pay-out or block pay-out?

That is a long and complex question. Mr. Dalgliesh answered in this way:

> You are really suggesting that the plan be amended to be on an individual producer basis; if there were 85,000 producers, there would be 85,000 individual programs, one for each individual producer.

At this point I interjected the words, "The same as crop insurance". and Mr. Dalgliesh went on to say:

> Certainly, in concept I think the Saskatchewan government would agree that you do want to try to zero in to the individual producer because really that is the unit you are trying to stabilize. So, certainly, with that objective in mind, that would be desirable. I suppose the question would come in, in terms of ensuring that you were not stabilizing uneconomic production, you would want to make sure that that was not a factor and I think that might present some problems in the approach. I think you have to take some account of production in aggregate. If you stabilize the price for the commodities that he was producing and not put up the crop insurance to guarantee that the quantity of production was forthcoming, I would see the program being workable. Yes.

Now to the layman all this means that he is saying that in view of all the experience we have had, the bill before us

does not provide individual commodity or regional stability. He goes on to say that the best thing would be to work with the producers.

Now on the next page, page 13, I am quoting myself again, I was reported as saying:

That really winds up what I wanted to suggest. If we have crop insurance on an individual basis where you have a chance to insure up to a certain amount against the vicissitudes of weather, this gives us a chance on an individual basis, on a voluntary basis, to provide that same type of income protection or market protection, if you like, and with the other qualifications you have here, you have no objection.

● (2130)

MR. DALGLIESH: Right.

MR. HAMILTON (QU'APPELLE-MOOSE MOUNTAIN): In your view, speaking for the minister as well as you are able . . .

MR. DALGLIESH: Right.

MR. HAMILTON (QU'APPELLE-MOOSE MOUNTAIN): . . . would you see any objection by the province of Saskatchewan to going into one of these joint deals like we did with crop insurance?

MR. DALGLIESH: No. Certainly Saskatchewan would be agreed to explore any program that seemed to be feasible and administratively workable.

That is evidence from the government of Saskatchewan, and those of us who were there were very impressed with the clarity of Mr. Dalgliesh's evidence. Some hon. members might say that a deputy minister is hardly a farmer, and I would agree, but let me go to the Saskatoon meeting on June 19 when a representative of the farm union local by the name of Mr. Lemon, addressed the committee. As reported at page 53 of the committee report I said:

Your brief hits on the essential weakness of this legislation; that the pay-out will be made on an aggregate basis.

I now go to the final part of my question on page 54:

My final question is very simple: Do you feel that you have given us an honest expression of the views of those people, when you recommend the individual approach as the most acceptable way to get those farmers to participate?

MR. LEMON: As president of local 611, I am representing those people and nobody else. The membership of local 611 endorsed my views. They elected me president, and each year I come up for re-election. If they do not feel I have done the proper thing for them, it is their duty to say so.

MR. HAMILTON (QU'APPELLE-MOOSE MOUNTAIN): On this particular question of Bill C-41, you have consulted these people?

MR. LEMON: I have consulted with these people. I have gathered opinions from these two people and they have gathered opinions from other people. I have talked with various people and they are a bit reluctant to opt for the program as they see it now.

MR. HAMILTON (QU'APPELLE-MOOSE MOUNTAIN): Most of those people of your local would be members of the Saskpool?

MR. LEMON: Yes they would.

MR. HAMILTON (QU'APPELLE-MOOSE MOUNTAIN): That is right.

I would conclude with one remark. I think this was the best representation we have had to date, in our four days out here, of an honest expression of farmers without any vested interest pressure on them. Thank you very much.

That was an extract from the final part of my questioning of Mr. Lemon, and all it adds up to, Mr. Speaker, is that the farmers of western Canada—other hon. members may bring additional evidence—spoke on every single occasion, as individuals, as groups, or as a government, in favour of the individual approach.

When we came back to Ottawa to meet the minister, who did not go to the meetings to meet the farmers, I asked him whether he would consider positive, constructive proposals from the opposition. He replied: "No; the government has decided this is the way the bill is, and the only amendments we will accept are on four or five minor points brought in by the Federation of Agriculture". In face of this evidence the minister deliberately turned down the request of the farmers of the west who were willing to pay into the fund if they knew how they would get their money out. But no, the minister said the government had already decided. I do not believe the government as a whole ever decided anything. I think it was the minister who decided that he was not going to change, regardless of what the farmers or the opposition said.

So we are faced, Mr. Speaker, with a bill that (a) is not going to be accepted by the farmers, and (b) is going to be forced on the farmers by the minister in the face of their objections. Because this proposal is essentially voluntary, even though the legislation is complicated, I say here and now that the legislation is not going to be accepted by even 10 per cent of our farmers.

There is one group of farmers for whom I want to put in a plea. I know that the older farmers look forward to retirement in the next ten years and they are not so concerned with stabilizing their incomes between now and then. But the young farmers in their late twenties and early thirties who are operating under a huge debt because they are buying land, equipment, and the livestock needed to make an income, desperately want some form of stabilization of income. The reason I so much wanted this bill altered was that these farmers could have stabilization of income while at the same time a sufficient number of farmers were brought into the fund to create stability, thus achieving what the government wanted, and making more certain that young farmers would be protected by a large and available fund.

I have spoken at great length, Mr. Speaker, on the individual approach to income stabilization, and because this is such a serious matter for the western farmers I want to make it very clear that there are alternatives. I say this bill will not be acceptable. Whether we throw it out tonight on a six months' hoist or we vote it out makes no difference. It all depends on the government. If the government really wants to help the western farmers it can withdraw the legislation, amend it, and bring it in again, incorporating one of these simple alternatives that we are prepared to offer. But if the government wants to ram it through regardless of the feelings of the farmers and the opposition, then it has to be willing to pay the price, and the price it will have to pay is continued antagonism toward the government on the part of the farmers of western Canada.

I do not think it is any secret that the government has tried its level best to make the farmers of western Canada love it. But every move the government makes seems to cause more antagonism. I believe one of the reasons for this is the government's failure to realize that the Saskatchewan, Manitoba, and Alberta farmers are not ignorant peasants of the last century. They are young, sophisticated, modern businessmen who know exactly what they are trying to do, and who can figure out the pros and cons

of any given program. In general they would like to have income stabilization, but they are not going to take on something when they do not know what the payout is.

If the government is really sincere in trying to put an income stabilization plan into effect, let the government make changes. However, I suggest that so long as the matter is in the hands of the present minister in charge of the Wheat Board we will not get these changes made. He is determined to have his own way regardless of what the farmers or the opposition think. Those who sat on the committee with us during the last three years know that the opposition have made constructive proposals. Over and over again the Minister of Agriculture has accepted our proposals and the result has been better legislation. All members of the standing committee know this to be true. But the minute we meet up with the minister in charge of the Wheat Board, all we get is his black and white inflexibility.

If the government wants a favourable movement among the farmers of the west, for heaven's sakes let it put agriculture under one minister who at least is willing to listen. After all, we are not all bad on this side. As I say, we have put forward positive suggestions. When a minister accepts them, we stand up in the House and support legislation. I stood up and supported the minister on one occasion in this session, but members on this side disagreed with me. However, that is the agreement we made in committee.

We have tried to push things forward on a constructive basis in order to help agriculture. This is not something you kick around from a partisan point of view, and this is why I plead with members who sit on the government side to put pressure on the cabinet if they have any influence at all. How about working for the farmers for once, and get the government to put agriculture under one minister? Then we will try to help the minister achieve a better agricultural industry.

● (2140)

We need agricultural stabilization and stabilization of agricultural incomes, and I should like to see this applied not only in respect of the farmers growing grain in western Canada, but later on in respect of the livestock industry and farmers all across this country. But it will have to be on an individual basis in order to work.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise to take part in this debate at third reading with a view to agreeing with much of what the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) has said. That should indicate something to the government. In view of the rare occasions the NDP and the Conservatives agree on anything, there must be something to this.

Members of the official opposition and of this party tried without success to get amendments to this legislation accepted in the committee. The government did accept a couple of minor changes which resulted in slight improvements to the bill, but government members were adamant, stubborn, as well as ignorant about accepting some other fundamental changes to the legislation which would not have detracted from or destroyed the principle. They refused to accept these amendments, and as a result the legislation is still bad and terribly deficient.

Some four years ago the Liberal government had the views of farm organizations, the three western provincial governments, as well as members of the opposition on what a grain stabilization program should be. It was expressed at that time that a grain stabilization program should not only be for the benefit of grain farmers but as well for the livestock producers and the growers of other products, including the farmers of the sea—the fishermen. Four years later the government still remains stubborn and ignorant, and still refuses to produce legislation which conforms with the principles of a stabilization program that will stabilize farm incomes involving a variety of products.

The original program laid before the government four years ago has seen many technical revisions, as in this bill. While I agree that the government did accept two of the submissions of the opposition four years ago, it has not complied with the principle. The government did accept the idea that the bill had to be based on net income rather than gross income. This was a 180 degree turn-around by the government.

The plan we now have before us is as abstract in principle as the original bill. It does not seek to stabilize the price of grain and it does not stabilize or guarantee the incomes of the producers. One of the most exasperating aspects of the bill is that it is next to impossible to detect the rationale behind it, and this lack of rationale, together with the extreme complexity of the bill, is what everyone complains about. Even government members admitted it is difficult to comprehend. This makes any attempt at explaining the bill to the farmers an exercise in frustration.

A paper released by the minister on September 4, 1974, lists four objectives for the grain stabilization plan. I should like to comment on each of them.

The first objective the minister outlined was to protect grain producers in the designated area from uncertainty and variation in returns due to temporary market fluctuations. Further on in his paper the minister used the expression "it transforms uncertainty into insurable risk". On page 10 of the minister's paper it is stated:

> —the government has stated that the plan has to operate within a level that is actuarially sound. The level set by the government is 6 per cent of gross receipts from commercial grain production, with the government paying ⅔ and producers paying ⅓.

It is obvious that the plan is being portrayed in the minister's statement as an income insurance scheme, but in reality it is not. In reality payments will be made by the grain stabilization fund if the proceeds from the sale of a proportion of the prairie grain crop in any year falls below the average proceeds in the previous five-year period, after adjustments have been made for changes in certain, but by no means all, expenses incurred in production and sale of the grain. In that event participating farmers will receive payments proportionate to their contributions. Whether individual farmers actually suffer declines in receipts or income is immaterial under this plan.

It seems to me that the proposed stabilization plan is being portrayed as an insurance scheme and, since it is a contributory plan, farmers should know what insurance

they are buying; in other words, the plan must relate to the needs of individuals. It should be possible for individuals to determine what benefits would accrue to them if the event against which they are insuring themselves should occur. That surely is a cardinal principle of all insurance plans whether they are private, mixed private and social such as crop insurance, or universal social insurance schemes such as workmen's compensation, unemployment insurance, hospital or medical insurance.

A second cardinal principle of all such schemes is that indemnities are paid to those who experience the ill effects of the event against which the plan provides insurance, and not to others. The proposed stabilization act sins against both these principles. In fact the bill completely ignores them.

A farmer who insures his crop with the Manitoba, Saskatchewan, or Alberta crop insurance plans knows what he insures himself for; he knows to what level he is indemnified if his yield falls below the insured level. A worker who pays unemployment insurance knows what he may expect in benefits in the event he loses his job and fails to find another. That is as it should be. In contrast, a person participating in the proposed prairie grain stabilization plan has no way of knowing when he will receive benefits, how much he will receive, or whether he will receive benefits when he really needs them. That is a complete betrayal of the principles enunciated by the minister in his statement.

In the three prairie provinces crop insurance will only indemnify those insured farmers who suffer specified losses, but will make no payments to all insured farmers because the over-all yield in the province may be below the five-year average. Similarly the Unemployment Insurance Commission will pay benefits to insured persons who lose their jobs, but will not make payments to all those making unemployment insurance contributions on the basis that there is a slack in the economy. Yet that is precisely what Bill C-41 proposes to do.

If the Manitoba crop insurance program operated on the same basis, as the minister, his deputy, and the Manitoba Crop Insurance Board told the committee, it could conceivably have taken the $8.2 million paid in indemnities in 1974 and distributed it to the insured farmers on the basis of their premium contributions. It is quite possible then that farmers with very high yields would have received large payments and the farmers with partial or total crop losses would have received far less.

I am sorry the minister is not here since this is his bill. I appreciate why he was not here when the bill was called at the report stage. He had a very important prior commitment to speak to the Alberta Wheat Pool. What I find passing strange is how disorganized that government is over there, shown by the fact that the government House leader would call a bill on a day on which the minister responsible had to be absent. If that is not sloppy handling I have never seen it.

● (2150)

If the minister is at the cabinet meeting advising the government to treat the postal workers in the same way he has advised the government to treat the farmers in this bill, it would be much better if he were in the House for the debate on this bill. At least then we could keep our eyes on him. If we were to operate the unemployment insurance—Mr. Speaker, if the hon. gentleman across the way who is yelling had got up today to speak on behalf of the veterans, especially since he is the chairman of the committee, he might have made a contribution, but he did not have the guts to do so. He just sat there like a sheep when the vote was being taken.

As an indication of how ridiculous this bill is and how it completely perverts the principle of stabilizing incomes whether in respect of grain or anything else, if the Unemployment Insurance Commission were operated on the same principles as Bill C-41 what would happen is that the Unemployment Insurance Commission would calculate for all of Canada the average annual bill for wages and salaries on which unemployment insurance contributions are made. They would adjust it for the changes in the number of unemployment insurance contributors and for certain changes in the consumer price index, and if the adjusted total wage bill fell below the average of the previous five years, the Unemployment Insurance Commission would make a payment to all wage and salary earners. Each would be paid proportionate to his contributions. Those who had paid the maximum would receive the greatest payment. Those who had paid the lowest premium would receive the lowest payment. The unemployed person who had made little or no contributions would receive little or nothing.

I doubt, and the governments of Manitoba and Saskatchewan, as well as many farmers doubt that this kind of a proposal to stabilize the net proceeds from wages and salaries in Canada would meet with the approval of the Canadian people. Can you imagine, Mr. Speaker, trying to operate the UIC on the basis proposed by this bill? If the unemployment insurance program were operated on the basis this bill proposes, the fellow who worked all year around and made UIC contributions would receive the highest payment from the fund, and the fellow who was laid off for four months and did not contribute to the fund during those four months would receive the lowest payment, or no payment at all. That is what this bill proposes.

The bill rewards the fortunate and penalizes the unfortunate. The farmer who makes the highest contribution to the fund in a year of pay-out receives the highest payment. If that is not backward in respect of any kind of insurance or stabilization plan, I do not know what is. If the national hospitalization program were operated on the same basis the people would pay their premiums, the government would compute the total bill for hospital care in the country, and in a year in which hospital care exceeded the previous five-year average everybody who paid a premium would receive a payment whether or not they had been in hospital. That has to be some kind of perversion of any kind of stabilization plan.

The more we deal with this bill the more convinced I am that it is still a bad bill. It is almost as bad as the legislation of 1971, which is saying something. It is obvious so far as the individual farmer is concerned that the plan does not meet the objective of the minister which is contained in his statement to the effect that the plan would transform uncertainty into insurable risk.

The second objective listed by the minister was to:

> . . . ensure that growth and development of the grain sector is consistent with basic market forces and that the grain sector develops in a manner consistent with competitive advantage in world grain markets.

While the relevance of this statement escapes me, I am disturbed over the policy implications that would seem to flow from that kind of philosophy. In effect the statement seems to suggest that there should be no stability if basic market forces dictate that there should be instability. The expression that the grain sector should develop "in a manner consistent with competitive advantage in world grain markets" I submit is entirely out of tune with recent international events, including the efforts by the Government of Canada to arrive at a better planned, more orderly world food distribution system.

Concepts such as world food banks, international commodity agreements, and the new economic order insisted upon by the developing nations are incompatible with the 19th century philosophy of competitive advantage. Moreover, that philosophy is the exact opposite, I remind the hon. member for Assiniboia (Mr. Goodale), to the basic competitive advantage and the two-price Wheat Act enacted by the House of Commons recently.

The legislation betrays much of what the government has said, not to mention betraying the grain producer of Canada, the principle of income insurance and income stability, as well as income stabilization, or whatever one might like to call it. Mr. Speaker, may I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

OLYMPIC GAMES—CRITERIA USED IN AWARDING CONTRACT FOR STAMP MEDALLION TO JACQUES CARTIER MINT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I hesitate to bother the postal department at this crucial time of indecision between the department, the government, and the Anti-Inflation Board. However, when I put my question to the Postmaster General (Mr. Mackasey) on December 2, the question which we have an opportunity to air tonight, it was of course assumed at that time that the postal problems were solved at least for a longer temporary period than the week or so that has elapsed since then.

Be that as it may, the purpose of my question is simply to find the criteria which led the Post Office to award the Olympic stamp medallion contract to the Jacques Cartier Mint, of which Mr. Norton Cooper is the president, and which is a subsidiary of Silver Shield Mines Limited. The reason I feel we have the right to know the department's decision in this regard is the fact that in November of 1972 charges were laid against the same Norton Cooper, president of Silver Shield Mines Incorporated.

[Mr. Benjamin.]

Also, officials of the Department of Regional Economic Expansion were charged and subsequently convicted as a result of bribes being offered by Mr. Cooper to DREE employees for the purpose of having Silver Shield Mines Incorporated obtain a federal government grant. The DREE grant in the amount of nearly three-quarters of a million dollars was later withdrawn and the DREE officials in question suspended, because as the then deputy minister in charge of DREE, Mr. J. D. Love, said:

> An officer in a responsible federal government position was offered and received improper benefits from a person or persons associated with Silver Shield and its subsidiary Jacques Cartier Mint.

Subsequently Norton Cooper proceeded to plan to take legal action against DREE for withdrawing the grant.

On June 8 the federal government awarded Mr. Cooper a contract, number 69C74, for the purpose of minting stamp medallions. On June 27, 1974, Norton Cooper was convicted. As a result, on January 30, 1975, the Post Office Department decided to rewrite the original contract and awarded the new contract to Jacques Cartier Mint—contract number 108C74.

● (2200)

Regardless of any internal changes within Jacques Cartier Mint regarding its directors, the fact remains that Norton Cooper, who is willing to sue the federal government, who is responsible for the suspension and ultimate conviction of federal government officials—Norton Cooper who himself has been convicted of bribery for the purpose of obtaining federal financial assistance, is the same Norton Cooper who today finds himself with yet another lucrative government contract, not to mention the fact that Joseph Zappia, who is the head of the consortium building the Olympic village—who happens to have under his belt a contract for minting Olympic medallions in Switzerland—who has been the subject of recent RCMP raids on his offices and private dwelling, is the Joseph Zappia who is connected with Norton Cooper by way of having the contract of packaging the medal stamps that Cooper's company is minting.

This is just a small example of the background of yet two more shady characters who continue to be able to deal with the government which, in simple terms, is either naive itself or at least just as shady, to say the least.

In these days of uncertainties and questionable practices within the government and its agencies, whether it be the Post Office, Air Canada, or the countless areas dealing with public funds surfacing as near scandalous, one would assume that the Post Office Department would be far more careful as to how and to whom government contracts are awarded. I do not have to repeat that I am one who supports the Olympic ideal wholeheartedly, but I believe that one of the reasons that financially and otherwise the staging of the Olympics in Montreal is encountering the great difficulties that we are all aware of, is there exists a multitude of unbusiness like, improper, and shady practices.

That is why I believe it is imperative for the Post Office Department to come up with an answer to my original question as to what criteria led them to award yet another non-tendered contract, this time to Jacques Cartier Mint.

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, I appreciate the hon. member's concern about our problem in the Post Office at present but I assure him that the moment of decision has arrived. I hope that we will have an announcement in the next short while about where we are going, certainly by tomorrow.

I would also say that the hon. member is correct in his chronology of events up to a certain point, but he failed to mention that Mr. Norton Cooper is no longer an officer of the Jacques Cartier Mint.

I would like to inform the hon. member that contract No. 108C74 was awarded to Jacques Cartier Mint on January 20, 1975. Of course, as I indicated earlier, Mr. Norton Cooper is no longer a director of the said company. A total of eight companies were asked to submit tenders, but only two responded, and Jacques Cartier Mint was the bid that qualified for the said contract on the basis of a quality product. A qualitative analysis of the bids was made in consultation with the Department of Supply and Services and the Royal Canadian Mint.

We would like to underline the fact that the Department of Justice was consulted on the legal aspects of this matter, and the Post Office Department was advised that nothing could be done but to award the contract to Jacques Cartier Mint, with the proviso that the company be advised that Mr. Norton Cooper could not benefit from the contract.

AGRICULTURE—SURPLUS OF SKIM MILK POWDER—SUGGESTED USE IN FOOD AID PROGRAMS

Mr. John Wise (Elgin): Mr. Speaker, it is a pleasure for me to participate once again in the adjournment debate this evening. I believe it is the second time in as many weeks.

My deep concern tonight is shared by my colleagues, the hon. member for Perth-Wilmot (Mr. Jarvis), the hon. member for Huron-Middlesex (Mr. McKinley), the hon. member for Grey-Simcoe (Mr. Mitges), and many others on this side of the House. This deep concern is over the recent reduction of subsidy payments by the government to industrial milk producers.

My concern over the present high level of stocks of skim milk powder that are reported to be triple those of last year, and my awareness of the great need and usefulness of skim milk powder for the world food aid program prompted me to raise the following question on December 3, as reported at page 9680 of *Hansard*:

> As stocks of skim milk powder on hand this year are three times larger than last year's, being 300 million pounds, compared with approximately 100 million pounds, and as CIDA bought less skim milk this year than last, has the Minister of Agriculture made representations to the Secretary of State for External Affairs, or to CIDA directly, in the hope that additional volumes of this product will be purchased for world food aid?

The Minister of Agriculture (Mr. Whelan) replied—and in part he said—yes, we have done that, we have asked the head of the Canadian Dairy Commission and our trade officers to explore every possible avenue for the sale of skim milk powder. He indicated also that the world surpluses of skim milk powder are larger than ever and that the distribution problem is even greater than before. Although I appreciate that information I must point out that I am fully aware of the existence of those conditions. In fact my colleague, the hon. member for Perth-Wilmot, will touch on one of the reasons for this condition later this evening.

The minister had admitted that discussions along these lines have been held, but let us examine the results. CIDA's purchase of skim milk powder for the world food program for the fiscal year 1972-73 was 25.5 million pounds; for 1973-74, it was 23.6 million pounds, and in 1974-75, 23.9 million pounds were purchased. But CIDA's purchase for this fiscal year of 1975-76 is only 14 million pounds.

At a time when our domestic stocks are in a position of extreme surplus it is unacceptable to learn that our commitment has been reduced by almost one half. I am certain that most Canadians would agree that the need for world food aid has drastically increased over the past ten years.

Canada's current commitment of skim milk powder through CIDA for aid is 1¾ of a million pounds less than our last ten year average.

I do not want to belittle Canada's contribution for indeed in total it is sizeable—4,000 tons of wheat, $5 million in canned beef, $1½ million in fish, and $1 million for beans, in addition to the reduced amount of skim milk powder. I do want to make it perfectly clear that what I am asking for is a greater commitment by the government to the world food program by an increased utilization of skim milk powder.

The government dodges the problem by pointing to present world surpluses. It excuses itself for the lack of success in export sales because of our poor comparitive position which results from the fact, Mr. Speaker, that the government does not support certain dairy products to the extent that they are supported by our foreign competitors.

I want to emphasize that shipments of skim milk powder to the world food aid program are not subject to competition in the world market place. Our commitment is a domestic matter—a local decision made by the government. Thus the amount of food that goes into our foreign aid basket is completely under the control of our own authorities.

I ask the government, and particularly the Secretary of State for External Affairs (Mr. MacEachen), and the Minister of Agriculture, at a time when domestic stocks are at their current level, when our present commitment is only about one half that of the previous two years, and at a time when the need for world food aid is urgent and pressing—I ask that they take prompt action to triple the volume of skim milk powder being placed into the world food aid program. I am certain that it would be accepted gratefully and with open arms. A greater percentage of the world's hungry could be fed; Canada would come closer to fulfilling her obligation in this area, and Canadians would experience a greater sense of satisfaction and pride.

Adjournment Debate

• (2210)

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in answering the hon. member for Elgin (Mr. Wise) I wish to make a few corrections to what he just said. He spoke of the deep concern on his side of the House—forgetting my side—for the farmers. I am really shocked if the honourable member suddenly recalls the existence of the third world and thinks about the surplus of skim milk. What is basically wrong, it seems to me, with his line of reasoning is that he has forgotten people. Here we have a surplus of skim milk powder. Is he suggesting that if there is a surplus of fish, we should feed the third world with fish? Does he suggest we should decide what they are to eat? If so, that is an extremely wrong position and no member on any side of the House would subscribe to that selfishness.

Mr. Forrestall: In the meantime you would have those people starve.

Miss Bégin: I must also correct some other matters. While it is true that food aid shipments of skim milk powder are lower this year, such shipments have varied considerably from year to year and, in fact, the planned shipments this year are about equal—not less, but equal—to the ten-year average of annual shipments.

Mr. Forrestall: You don't want to feed the hungry people.

Miss Bégin: Listen to the hon. member talking about hungry people. He could lose a few pounds!

Canada has shipped skim milk powder to many countries and organizations around the world. Quantities are allocated regularly to the World Food Program for its use in its food for work and other projects. Other quantities have gone to the United Nations Children's FUND—UNICEF—and to many countries such as those of the Sahel, through the bilateral aid program.

The manner in which these allocatons and those of other food commodities are made is a serious one. Officials must work first from the request actually received from developing countries and from international agencies. They must also consider the availability and the prices of various food commodities in Canada. Between these two poles of demand and supply a decision must be made on how best to meet the need. I emphasize that basically this decision must above all take account of the needs of the poor and hungry,—not of our own little problems—and thus of the need to ensure the maximum nutritional value for each Canadian dollar spent. In the current year—

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the parliamentary secretary but her time has expired.

AGRICULTURE—COMPREHENSIVE MILK MARKETING PLAN—INQUIRY WHETHER AGREEMENT AMENDED TO PERMIT INCREASED CHEESE IMPORTS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, recently the hon. member for Elgin (Mr. Wise), the hon. member for Huron-Middlesex (Mr. McKinley), and I have been asking

[Mr. Wise.]

questions regarding the government's industrial milk policy, and tonight I wish to deal with one aspect of that problem.

For almost five years there has been in existence a written agreement which has been commonly called the comprehensive milk marketing plan. It was signed by the Canadian Dairy Commission on behalf of the federal government, and by various provincial government marketing authorities and provincial producer marketing boards. The purpose of the plan is to manage the supply of Canadian milk by means of quotas in order to provide a balance between the domestic supply of butterfat and the requirements of the Canadian market for butterfat in manufactured dairy products, plus commercial exports. It has been made very clear that the purpose of the plan is not to restrict development of our dairy industry. On the contrary, the agreement should operate to promote sales of dairy products at home and abroad. The quotas are designed only to manage the total dairy production, to ensure that there is an effective market for that production.

In April, 1975, the Minister of Agriculture (Mr. Whelan) said we may have to continue to import some butter, but then went on to say:

> However, domestic consumption will continue to be met predominantly by Canadian production.

This, of course, is consistent with the comprehensive milk marketing plan.

Then came the shock of the Minister of Agriculture's statement of November 4, and I quote the pertinent paragraph:

> In accordance with the decision of April 18, 1975, imports will be allowed to increase gradually over the next several years until they reach not less than the equivalent of 10 per cent of manufactured products. The current (cheese) import quota of 50 million pounds represents 5 per cent of total Canadian consumption of manufactured dairy products. The size of the next year's quota will be established shortly.

First, and obviously, the decision to permit an increase to at least 10 per cent of our market was not in accordance with the April, 1975, statement. In my view, and in the opinion of milk producers, it is just the opposite.

Secondly, I submit that this decision is a clear contravention of the federal-provincial agreement. The agreement's purpose is to balance Canadian milk supply with domestic and export demands for our dairy products. How can this possibly be balanced when we give away a minimum of 10 per cent of our domestic market to producers and processors in foreign countries?

I do not know what happened between April and November this year and possibly I will never find out, but I can only conclude that, once again, Canadian agriculture has been sold down the river at the bargaining table for international trade.

This brings me to my third point. I submit that this sell-out constituted another breach of the federal-provincial agreement. There is a clear provision, and I believe it is in Section 13, that no order or regulation bearing on the provisions and purposes of the plan shall be made without, first, prior notification to the other parties, and secondly, concurrence by the other parties that such change does not contravene the purposes and provisions of the plan.

Clearly there has been no concurrence by the provincial producer groups and, what is even worse, I believe that there was no notification whatsoever. I specifically asked the minister in the House of Commons on December 9 if he had notified these other groups, and I quote his reply:

> We had many discussions with them. I am not sure whether or not that was discussed, but I am sure that they knew and were well aware of the increased importation into Canada of industrial cheese at that time. They made strong representations against this and they are making strong representations against this at present. We are reconsidering the whole situation.

All I can say is that the government darn well better reconsider. It is clear that the minister did not have provincial concurrence; in fact he expressly states he has just the opposite, and secondly I have a written statement form one provincial producer group which says in part as follows:

> At no time during the current dairy year have the representatives of the federal government notified the signatory parties to the plan that the federal government wanted the definition of what constitutes Canada's industrial milk requirements changed.

Canadian producers are well able to supply the domestic market. As a matter of fact they are now being penalized because we allegedly have too much milk. I remember well just two years ago the government's alarm because milk production was falling. Now the government says we are going to take away at least 10 per cent of your market and give it to foreign producers. How in heaven's name can any milk producer plan intelligently for the future when he is being overwhelmed with almost monthly changes in government policy?

On the one hand we have subsidy reductions which for three of my typical milk producers resulted in reduced incomes for September production of $330.85, $278, and $211 respectively. By year end these losses will range from $1,477 to $2,647.55.

On the other hand we now have an annual cheese import quota of 50 million pounds which costs Canadian producers approximately $18 million, or $360,000 for every million pounds of imported cheese. I also strongly suggest that foreign governments are subsidizing, directly or indirectly, these products which put our Canadian producers in a very difficult, if not impossible, competitive position. Our Canadian cheddar is the best in the world, and we have developed an excellent line of specialty cheeses in recent years, which should be given a fair chance in our domestic market, and hopefully in export markets as well.

The minister has told me he will reconsider this whole problem. I beg him to do so immediately because Canadian farmers, at this very moment, are feeling that again their products have been used as pawns in international trade arrangements.

If the minister wants to know what some farmers are saying let me read a postscript to a letter I recently received from a dairyman:

> In fact what farmers are really protesting is a wage decrease while other professions insist on a substantial increase.

In summary, Mr. Speaker, I wish to read a letter that is being forwarded today by my office to the Minister of Agriculture, other ministers who are involved in the problem, the Prime Minister (Mr. Trudeau), and the Canadian Dairy Commission. It is as follows:

● (2220)

> The members of Perth County Milk Committee, who represent the most producers who produce the most milk of any county in Ontario, would like to express deep concern—

The Acting Speaker (Mr. Turner (London East)): Order. I regret to interrupt the hon. member but his time has expired.

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, I regret that the Minister of Agriculture (Mr. Whelan) is not here. In his absence I have undertaken to answer the hon. member's question. I can sympathize a great deal, I may say, with the hon. member for Perth-Wilmot (Mr. Jarvis) and the hon. member for Elgin (Mr. Wise). Tomorrow I have to face a group of dairy farmers who are also very concerned about this matter. The answer I have to make will not be very satisfying to anyone. Nevertheless, I think the hon. member has partly answered the question himself by drawing attention to the tremendous surpluses of skimmed milk powder which are held around the world. I believe the surplus in Europe right now is a million tons.

The comprehensive milk marketing plan is an agreement under which returns from export sales of skimmed milk powder and domestic sales are equalized. This is accomplished by means of a levy against producer market returns which is used by the Canadian Dairy Commission to assist exports of skimmed milk powder.

The second major objective of the plan is to balance supply with the requirements of the market, on a butterfat basis. The balance takes account of exports, primarily cheese and at the time the agreement was made, imports of cheese and butter accounted for a significant percentage of requirements.

The management committee which is composed of the heads of provincial milk marketing agencies, and which is chaired by the Canadian Dairy Commission, has continuously examined demand and supply.

The statistics which have been used by the management committee included the figure for the actual imports of cheese into Canada for each of the past several years. The management committee was aware that under the import policy existing up to the middle of this year, imports were not restricted in terms of quantity but by end-use. The government moved quickly to put quantitative restrictions on the total of cheese imports when it became evident that imports in 1975 would rise more than in the preceding years. The level of this quantitative restriction is now being reviewed by the government.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Friday December 12, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

MANPOWER

SUGGESTED INVESTIGATION OF JARVIS ST. OFFICE IN TORONTO IN VIEW OF ACTIVITIES OF MR. HORSEFIELD—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity concerning the Department of Manpower and Immigration in the city of Toronto and, in particular, the activities of an employee of that department, Mr. Frank Horsefield. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the Minister of Manpower and Immigration conduct an immediate investigation of Canada Manpower division office located at 200 Jarvis Street, Toronto with particular reference to the activities of Mr. Frank Horsefield who has been indicted and bound over for trial as a result of investigation by the Royal Canadian Mounted Police on five counts of forgery and five counts of taking moneys involving those without landed immigrant status with approximately 30 witnesses to be subpoenaed by the prosecution and specifically that the minister advise the House why this individual, pending the taking place of the customary legal process, instead of being suspended or transferred to duties unconnected with Manpower and Immigration, has instead been appointed to a position as a supervisor located at the Canada Manpower and Immigration regional office, 2180 Yonge Street, Toronto.

Mr. Speaker: The motion cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ANTI-INFLATION BOARD

PROPOSED CLARIFICATION OF INTERPRETATION OF PROVISION RELATING TO HISTORICAL RELATIONSHIP—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. The matter of urgent and pressing necessity arises from the cabinet's overturning of the Anti-Inflation Board's decision on the postal workers contract and in particular the board's complete distortion of the purpose of "historical relationship" as found on page 23 of the white paper on inflation. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instructs the government to ensure that regulations pertaining to historical relationships between groups of workers relate to what is said in the white paper on this subject and not to what was decided by the Anti-Inflation Board and published in its communiqué of November 7.

Mr. Speaker: The motion cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE CANADIAN ECONOMY

SUGGESTED PAYMENT OF COMPENSATED DISCOUNT TO COMBAT INFLATION—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important issue.

Since social stability in Canada is deeply undermined by some anti-inflation government measures rejected by the workers who have no confidence in the government statements on price controls, and since it is urgent not only to control but to reduce prices to enable consumers to buy available products, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House consider as soon as possible the opportunity of applying a compensated discount to consumer prices, which discount would cover all essential products and would be based on the difference between purchasing power and production value, thereby ending inflation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Oral Questions

● (1110)

[*English*]

HEALTH

PROPOSAL TO ESTABLISH ASBESTOS-RELATED DISEASES PROTECTION BUREAU—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of recent evidence concerning the alarming number of deaths of workers due to asbestos-related diseases, I ask leave to move, seconded by the hon. member for Timiskaming (Mr. Peters):

That the government consider the immediate establishment in the Department of National Health and Welfare of an asbestos-related diseases protection bureau similar in purpose to the already existing radiation protection bureau and that the government be urged to place before the ongoing conference of deputy ministers of health the proposal that uniform exposure standards for asbestos fibres be made a high priority for federal-provincial negotiations.

Mr. Speaker: The motion cannot be presented without the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

An hon. Member: No.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF COMMISSION FOR NEW BRUNSWICK

Mr. Speaker: It is my duty, pursuant to section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2, Revised Statutes of Canada 1970, to lay upon the table of the House a certified copy of the Report of the Electoral Boundaries Commission for the Province of New Brunswick, 1975.

ORAL QUESTION PERIOD

[*English*]

ANTI-INFLATION BOARD

GOVERNMENT REJECTION OF BOARD'S OPINION ON POSTAL WORKERS' CONTRACT—MEASURES TO RESTORE CONSISTENCY TO CONTROL PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister. The government having obviously applied a different standard in supporting the contract between itself and CUPW from that which the Anti-Inflation Board applied in its opinion of that contract, and is applying to disputes between other Canadians, what does the government intend to do to restore consistency to its control program and assure Canadians equality before this law?

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Hon. Mitchell Sharp (Acting Prime Minister): The reasons the government did not accept the opinion or the ruling of the Anti-Inflation Board on the settlement with the postal workers were set out very clearly in a statement issued late last night. We do not believe that our action in this respect does in any way undermine the anti-inflation program.

Some hon. Members: Oh, oh!

Mr. Sharp: it is our belief that in this interim period there will be many very difficult problems to deal with and that there must be a degree of flexibility throughout this period as we pass from contracts entered into before October 14 to those which are entered into thereafter.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, O what crimes are going to be committed in the interest of flexibility!

Mr. Macdonald (Rosedale): Like your 180 degree turn.

Some hon. Members: Oh!

Mr. Crouse: Look who's talking about a 180 degree turn!

Mr. Stanfield: Ignore those dishonest charges. Never mind that minor figure on the Canadian scene, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Stanfield: I want to ask the Acting Prime Minister, ignoring the necessity of the Minister of Finance to resort to dishonest charges—

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, the Acting Prime Minister cannot possibly believe that the decision last night, in light of the positions previously taken by the Anti-Inflation Board, has not destroyed the credibility and moral authority of that Board. If he does believe that, he is the only Canadian who does. May I ask the Acting Prime Minister what steps the government proposes to take to restore the credibility of the Board so that its rulings can be accepted by the Canadian people?

Mr. Sharp: Mr. Speaker, I simply do not agree with what the Leader of the Opposition has said about the Anti-Inflation Board. If I may say this to the Leader of the Opposition, I think Canadians generally, as well as most members of the House, will want the Anti-Inflation Board to err on the side of restraint. That is what they did in this particular case; if it was an error at all. Certainly, if they are going to bring out decisions, we want them to be in favour of restraint. In this particular case we felt that the circumstances affecting the negotiations with the postal workers were of such a character that it would not be in the public interest to reopen the contract, and I would be surprised if the Leader of the Opposition believes otherwise.

Mr. Stanfield: Mr. Speaker, that comment by the Acting Prime Minister can only be described as pitiful in the circumstances. Are we to take it from what the Acting Prime Minister has said here today, and from the arrogant behaviour of the Minister of Finance, that there is going to be one law for the government and another law for the Canadian people?

Mr. Sharp: Mr. Speaker, the answer to that is a simple no.

REQUEST FOR GUIDELINES ON INTERPRETATIONS OF THE GUIDELINES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, if I might pursue this interesting subject, I should like to ask the Acting Prime Minister this. Now that it has been disclosed that the machinery of the anti-inflation process was only set up as a lightning conductor to draw the wrath away from the government, and the government having made it quite plain that it intends, within and without the act, to remain the final arbitrator and to act in a political, capricious or arbitrary nature at any time that it sees fit in dealings that it has with this problem, would the government, for the benefit of the public, now publish guidelines as to how it intends to interpret the guidelines from time to time?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is our expectation that Bill C-73 will receive royal assent on Monday. Shortly thereafter the regulations will be published which will help to clarify the guidelines and assist in their application. I want to repeat what I said to the Leader of the Opposition, that this government is determined to exercise restraint. It is determined to put into effect the machinery that will encourage restraint, and I hope we will have the support of hon. gentlemen opposite.

Mr. Baldwin: A final supplementary question, Mr. Speaker. If I might gently draw the Acting Prime Minister back to the subject of the question I asked, once the regulations have been published, and since it is now indicated that the government feels free to disregard them as it sees fit, would the government indicate publicly, by declaration or otherwise, the view it intends to take regarding the interpretation of the guidelines, having in mind that any resemblance between the guidelines and the government's interpretation of them may be only coincidental?

Mr. Sharp: Mr. Speaker, the government's interpretation of the guidelines will be set out in the regulations to be published pursuant to the Anti-Inflation Act. It will be clear and it will be an expression of the government's view.

● (1120)

ALLEGED MISINTERPRETATION BY BOARD OF HISTORICAL RELATIONSHIP PROVISION—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, since the statement issued by the Prime Minister's office this morning in explanation of the Cabinet's decision to turn down the recommendation of the Anti-Inflation Board takes three pages to say that they just differ in the meaning and interpretation of the phrase "historical relationship", I should like to ask the Acting Prime Minister whether the government agrees that the basic mistake was made by the board back on November 7 when it contradicted what is explicitly in the white paper on the use and interpretation of that phrase "historical relationship" and, if so, has the government made that clear to the chairman of the Anti-Inflation Board?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is the intention of the government that the Anti-Inflation Board should be an independent board and not subject to pressure from the government.

Some hon. Members: Oh, oh!

Mr. Sharp: I thought that was a position which would be supported by my hon. friend. The government has set out four reasons for its belief that it should not re-open the CUPW contract.

An hon. Member: Four excuses.

Mr. Sharp: I think my hon. friend agrees with this. I thought the Leader of the Opposition would not want to re-open the postal contract.

An hon. Member: You are a chicken hearted government.

Some hon. Members: Oh, oh!

Mr. Broadbent: That is even more pitiful than the earlier answer. Would the Minister of Finance inform the House whether he is checking the recent decisions by the Anti-Inflation Board in respect of the teachers in Hamilton and the teachers in Toronto, and then the postal workers? Is the minister in agreement that the board has consistently misinterpreted the phrase used in the white paper "historical relationship"? Is the government in accord with its rulings, because if the government is, it will be in persistent difficulty as a court for settling labour disputes during the next 12 months?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have said to the hon. gentleman before, and I repeat, we feel the board should go ahead and make its decisions, and it would not be useful to be issuing interpretations of the wording the board may use from time to time.

SUGGESTION CHAIRMAN BE ASKED TO RESIGN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a final supplementary question, and I would refer back to the point made by the Leader of the Opposition about having consistency in the Canadian law. I should like to ask either the Acting Prime Minister or the Minister of Finance, given the persistent failure of this board from the day it was first established to establish credibility in the sense of having consistency in the law, is it not time that the government asked for the resignation of Mr. Pepin and put a competent person in there?

Hon. Donald S. Macdonald (Minister of Finance): No, Sir.

An hon. Member: He may give it to you anyway.

Some hon. Members: Oh, oh!

[*Translation*]

ENVIRONMENTAL AFFAIRS

PARTICIPATION OF FEDERAL GOVERNMENT IN QUEBEC RESEARCH PROGRAM ON MERCURY POISONING

Mr. Armand Caouette (Villeneuve): Your Honour will no doubt allow me, before asking my question, to congratulate most sincerely, on behalf of the Social Credit Party of Canada, the newly elected government of British Columbia.

Mr. Speaker, my question is for the Minister of the Environment. Considering that, in late November, the Quebec Department of Social Welfare carried out a series of tests in the Matagami and Lebel-sur-Quévillon area to ascertain the extent of the effects of mercury poisoning on Indians, could the minister advise the House whether he has had conversations with the provincial authorities about this and whether his department is co-operating in any way with the Quebec Department of Social Affairs in the research on this problem?

Hon. Marc Lalonde (Minister of National Health and Welfare): The Minister of the Environment has just arrived.

Mr. Caouette (Villeneuve): Mr. Speaker, may I repeat my question to the minister?

Considering that, in late November, the Quebec Department of Social Welfare carried out a series of tests in the Matagami and Lebel-sur-Quévillon area to ascertain the extent of the effects of mercury poisoning on Indians, could the minister advise the House whether he has had conversations with the provincial authorities about this and whether his department is co-operating in any way with the Quebec Department of Social Affairs in the research on this problem?

Hon. Roméo LeBlanc (Minister of the Environment): Mr. Speaker, first of all, I want to apologize for my absence. I was precisely seeking some information concerning one hon. member's question.

As a matter of fact, the officials of the Department of the Environment are working in close co-operation with those of the province of Quebec. The problem involved is within the jurisdiction of several departments which work in co-operation.

* * *

HEALTH

AVAILABILITY OF RESULTS OF STUDY OF MERCURY POISONING TO HOSPITALS

Mr. Armand Caouette (Villeneuve): Mr. Speaker, on a supplementary.

Can the minister tell the House whether the studies undertaken by the federal government on the possibility that some Indians are being poisoned by mercury have been made available to hospital centres in northwestern Quebec, that they might have a thorough knowledge of them?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, may I be allowed to answer that part of the question since it falls within the jurisdiction of my department? I must say that all surveys are available to every institution that is interested in obtaining them; with regard to specific cases, tests are made on private individuals and their results belong to the person concerned. It has never been the policy of hospitals or doctors to place specific diagnoses on individuals at the disposal of the public generally, or even special institutions; but as far as the general analyses and the surveys are concerned, they will be available as soon as they have been completed.

* * *

[*English*]

ANTI-INFLATION BOARD

GOVERNMENT POSITION ON INTERPRETATION OF HISTORICAL RELATIONSHIP PROVISION BY BOARD

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Acting Prime Minister. When the Acting Prime Minister says that the board erred in its decision I think we have a duty to probe the obvious difference between the cabinet policy and the Anti-Inflation Board policy. My question to the acting Prime Minister is simply, does the government agree or not agree with the Anti-Inflation Board policy that where a union has a historical relationship with another bargaining unit this would not justify an exemption from the wage and price and salary guidelines.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the particular case we are looking at of the postal workers is a negotiation that was under way before the October 14 date, and was still under way, and the guidelines spoke about special consideration for special cases. The question of historical relationship is one of the factors that should be part of the special consideration which relates to those contracts which were in a transitional stage.

The question as to what part the historical relationship should have in general in respect of contracts that are not of this very special kind is a judgment that will have to be exercised by the board. In the case of the postal workers it is not the historical relationship that was at issue. It was the fact that this was a case which required special consideration because the negotiations were under way on October 14.

Mr. Lawrence: I have a supplementary question, Mr. Speaker. There was obviously a very specific indication that historical relationship played a great part in the board's decision. Presumably if the board erred, and the Acting Prime Minister said it did, is it now the position of the government, yes or no, that there cannot and should

not be any restraint where there is such a historical relationship. How much more simply can I state it.

Mr. Sharp: Mr. Speaker, the hon. gentleman has misrepresented the guidelines.

Mr. Baker (Grenville-Carleton): No; you have misrepresented them.

DATE OF SUBMISSION OF POSTAL WORKERS' CONTRACT TO BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Finance. In order to put in proper perspective the events leading up to the government's scuttling of its own anti-inflation program, I should like to ask the Minister of Finance, in view of the statement made by the Anti-Inflation Board on November 7 that other considerations would have to be taken into account such as credibility of the program apart from historical relationship, at what time did the government submit for adjudication to the Anti-Inflation Board its final wage offer to the Canadian Union of Postal Workers?

● (1130)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think I am correct in saying that my colleague was in touch with the board during the course of the last week and had received some indication of what the board's intentions were, but the government did not know in advance of the approach of the Anti-Inflation Board to the settlement recommended in the Moisan report. As the hon. gentleman knows, the offer was made prior to the entry into the restraint program on October 14, so the offer was already in existence and outstanding when the program came into effect.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—GOVERNMENT VIEW ON WHETHER PROVINCES SHOULD ACT AS FINAL ARBITER OF GUIDELINES

Mr. James A. McGrath (St. John's East): In view of the position that the government is now taking in setting itself up as the final arbiter in these cases, may I ask the minister if it is his view that the provinces should now follow the same course, which would of course destroy what is left of the program?

Hon. Donald S. Macdonald (Minister of Finance): I would say no, and I suggest that in the special circumstances of this case of the offer and the conciliation board report pre-dating the program, the government's commitment to it pre-dating the program and the fact that we have just come through a 43 day strike, we felt that it would be in the broader national interest for the country not to be submitted to that again.

An hon. Member: Chickenhearted!

ANTI-INFLATION PROGRAM—INQUIRY WHETHER REGULATIONS WILL CONTAIN PROVISION ALLOWING CABINET TO REVERSE DECISION OF BOARD

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, without dealing with the particular case to which reference has been made, can the Acting Prime Minister say whether the regulations will contain provisions that whenever the government decides that the Anti-Inflation Board was wrong, it could reverse that decision? Is that the situation today? Because if it is—and it is apparently so—the board has been emasculated completely and has no more authority.

An hon. Member: To match the government.

Hon. Mitchell Sharp (Acting Prime Minister): The situation at present is that the Anti-Inflation Board is operating under the Inquiries Act and there is a specific provision that reference could be made to the governor in council. After the new act becomes law, which I hope will be so on Monday, there will be quite a different procedure.

Some hon. Members: Oh, oh!

Mr. Sharp: Then, the board will act through the administrator. There is in the end the power of intervention by the governor in council or there may be an appeal to the governor in council. I just say this because the hon. member does not seem to have read the bill.

* * *

ANTI-INFLATION BOARD

POSSIBLE COMPLAINT FROM CHAIRMAN ABOUT GOVERNMENT ACTION ON POSTAL WORKERS' CONTRACT

Right Hon. J. G. Diefenbaker (Prince Albert): All I can say to the minister is that he has made the confusion more compounded by the answers he has given today.

I should like to ask him this: In view of the fact that Mr. Pepin and his board have completely dissociated themselves from the decision of the government of Canada, being contrary to what the board thought was right, has the minister had any complaint yet from Mr. Pepin on any interpretation or intervention that was made by the Prime Minister as to the views of Mr. Pepin concerning his rights and that of the board?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker.

* * *

[*Translation*]

AIR TRANSPORT

POSSIBLE MEETING OF MINISTER WITH SUSPENDED AIR TRAFFIC CONTROLLERS

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, my question is directed to the Minister of Transport.

Can the minister inform the House of the result of the meeting he had with the representatives of the Association

des gens de l'air and, on the one hand, whether he is prepared to go to Montreal to meet the controllers who have been suspended and, on the other hand, whether he agrees to reconsider or at least reduce the suspensions imposed on two French-speaking controllers, Mr. Buisson and Mr. Cormier?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there was a good meeting between the representatives of l'Association des gens de l'air yesterday with my officials who reaffirmed to them the government's objective of implementing bilingual air communications progressively in the province of Quebec. I think the atmosphere was improved when we reassured them that we fully appreciated the aspirations of the French speaking members of the aviation community, to use their own language, and that with the co-operation of all concerned we believe that we could make rapid progress toward meeting these aspirations while at the same time respecting the requirements of safety and making sure of an orderly transition. The suspension, of course, was for a breach of the rules and we have to re-emphasize the importance of adhering to the rules throughout the whole period of study. I note the hon. member's suggestion of some attenuation. I will look at that, particularly in view of what seems to be a possible improvement in the spirit of working together toward the right and proper results.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REQUEST FOR PROVISION IN REGULATIONS TO ALLOW AGGRIEVED GROUPS TO APPEAL TO CABINET

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Acting Prime Minister. In view of the fact that the Prime Minister in his remarks last night admitted that after Bill C-73 comes into effect, although the arrangements will be different, in that an order of the administrator instead of the opinion of the board will have to be considered, appeals to the governor in council will still be in order as provided in clause 24 of the bill, and in view of the fact that equality before the law is a principal in this country—

Mr. Stanfield: It used to be so.

Mr. Knowles (Winnipeg North Centre): —will the government announce guidelines or arrangements under which other aggrieved groups can get their appeals before the governor in council in the same way that the postal workers had their case reconsidered?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the law itself does set out the provisions. Either the governor in council may intervene, if it wants to take the initiative, or there is provision for an appeal to be made to the governor in council.

An hon. Member: How?

Mr. Sharp: Under Bill C-73 when it comes into effect as the Anti-Inflation Act. That is provided for, as the hon. member for Winnipeg North Centre has said. We will, of course, be publishing regulations which will spell out the guidelines, and in general the governor in council will follow its own laws.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the desire that things be clear, will the government include in these regulations details as to how cases will be brought before the governor in council? While I am asking that question may I ask if, in the same way that the Postmaster General brought the case of the postal workers to the cabinet will the Minister of Labour bring the case of the pulp workers to the cabinet and will the Minister of Finance bring the case of the Toronto high school teachers to the cabinet?

Mr. Sharp: I am quite sure the hon. member for Winnipeg North Centre also may want to take initiatives from time to time.

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GOVERNMENT ADMINISTRATION

JUSTIFICATION FOR PROGRAM OF DECENTRALIZATION IN VIEW OF RESTRAINT PROGRAM

Mr. Walter Baker (Grenville-Carleton): I want to direct a question to the Acting Prime Minister arising out of something he said in answer to the Leader of the Opposition when he said that the government was going to err on the side of restraint. Would the Acting Prime Minister tell us, on the basis of that and on the basis of the sheer cost of the relocating of government buildings, installations and structures of new departments outside the national capital at this time, how that can possibly be justified in terms of the restraint program to which this government seems to be paying only lip service now?

Hon. Mitchell Sharp (Acting Prime Minister): I expect that my colleague, the President of the Treasury Board, will be putting forward some proposals for restraint in government spending, which will certainly not be altogether acceptable to my hon. friend because it will involve cuts that will affect many people in this country in the interests of restraint.

EFFECT OF PROGRAM OF DECENTRALIZATION ON CREDIBILITY OF RESTRAINT PROGRAM

Mr. Walter Baker (Grenville-Carleton): Can the Acting Prime Minister tell us whether or not, with respect to this program and its relationship to restraint, the continuation of the relocation would not have the effect of only badly wounding the credibility of the restraint program, even more than it has been by the government's own action of last night?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the relocation program has two purposes, first, the suppression of the heavy concentration that may occur in the national capital area and, second, the provision of services to groups living in areas which they consider far from the central government. Such purposes will

be achieved not through a short term program but through a long term program which will have no negative effects on the federal government's restraint program.

* * *

● (1140)

[*English*]

AIR CANADA

ESTEY REPORT—REQUEST FOR DETAILS OF PROPOSALS ADOPTED—APPEARANCE OF COMPANY BEFORE COMMITTEE

Mr. Jack Murta (Lisgar): Mr. Speaker, if I may, I should like to direct a question to the Minister of Transport. Since the acting chairman of Air Canada has indicated in a statement that Air Canada has already adopted some of Mr. Justice Estey's proposals, I should like to ask the minister what proposals the acting chairman was talking about and if the minister would inform the House of the proposals now.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as the events involved in the Estey inquiry came to the attention of management—and some of this was before the actual appointment of the commissioner—management took some steps to correct some procedures and to improve a variety of other procedures to better ensure that any incident which had not come to the attention of management would do so in future. There were certain other changes made as well in general accounting and financial control procedures. It was changes along these lines, I believe, to which the acting chairman was referring.

Mr. Murta: The minister has not stated anything more than the acting chairman stated in his press release. Since a request from the Transport Committee to the Minister of Transport that Air Canada appear before it early in the New Year has been made, I should like to ask the minister if he is prepared to assure the House that the Transport Committee may have Air Canada before it when it is deemed expedient for both Air Canada and the committee, so that we may ask Air Canada directly a good many questions which we have been asking the minister in the House, to which we have not been receiving very many answers.

Mr. Lang: That is exactly where these kinds of questions should be put and if the hon. member will refer to my previous anwer, I did indicate my willingness to co-operate, as the Department of Transport and ministers of transport have done generally with the committee, to ensure a maximum investigation.

An hon. Member: Two years is too long.

FISHERIES

DATE OF REOPENING OF FISH HATCHERY NEAR CALEDONIA, NOVA SCOTIA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct my question to the Minister of State (Fisheries). In view of the need for additional trout and salmon fingerlings to stock Nova Scotia's lakes and streams, will the minister inform the House whether the fungus infection which brought about the closing this spring of the Kejimkujik Fish hatchery near Caledonia, Queens County, has been cleaned up, and if so, in the interest of our tourist industry and our high unemployment rate in Nova Scotia, when can we expect steps to be taken to reopen this hatchery?

Hon. Roméo LeBlanc (Minister of State, (Fisheries)): Mr. Speaker, I wish to thank the hon. member for having the courtesy to give me notice of this question. There was a fungus problem. In addition, the hatchery was one of our less efficient hatcheries. There are no plans for reopening now. We are looking at our whole hatchery program. This was a hatchery area where the superintendent retired and there should be a minimum of dislocation. I would much prefer not to close hatcheries or anything down, but we are trying to make them more efficient and we are reorganizing that part of our program.

* * *

AIRPORTS

OTTAWA—SUGGESTED IMPROVEMENT OF FACILITIES—GOVERNMENT POSITION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Transport. It has to do with the terminal facilities at Ottawa international airport. Considering the propensity of the government to spend large sums of money on Canada's airports, particularly Mirabel and the proposal at Pickering, I wonder if the minister has given thought to redirecting some of the funds originally earmarked for Pickering to upgrading and improving the terminal facilities at Ottawa international airport. The facilities there seem to have fallen far behind Canadian standards, in my view too far for a nation's capital.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it seems to me the hon. member should make up his mind whether he is proud of the standards set when a great airport like Mirabel is built.

Some hon. Members: Hear, hear!

Mr. Lang: It should be difficult for him to criticize improvements on the one hand and ask for them on the other hand in another place. The question of improved services is one which is before us at all times. It is not a matter of saying that there is money available because Pickering is not going ahead. The question is one of overall governmental priorities, as to what can be justified in the way of expenditures in this period of restraint. I think hon. members will find that we will be doing less in the way of improvement than we otherwise would have done.

but I am glad to have the specific suggestion of the hon. member.

Mr. Mazankowski: The minister does not have to lecture me.

Some hon. Members: Oh, oh!

Mr. Mazankowski: I can very well appreciate that he is trying to hide behind the façade of a restraint program. I simply ask whether Ottawa will receive consideration similar to the consideration given to other airports in this country. I think it is a shame that Canada's national capital does not have facilities which are comparable at least to other capital cities in this country.

Some hon. Members: Hear, hear!

Mr. Lang: I still think if the hon. member looks back at his earlier question he will see some contradiction about whether he is in favour of great, medium or mediocre facilities. I did indicate to the hon. member that every city and every area in this country is given the same kind of examination by the Department of Transport in trying to determine what next should be done in relation to the construction of airport facilities. We will continue to do that, and naturally we will be giving full and fair consideration to Ottawa as well.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—SUGGESTION PRIME MINISTER TOUR COUNTRY TO EXPLAIN PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Acting Prime Minister whether it is the intention of the Prime Minister to make a national tour to explain the distinction between the decision made last evening with regard to the postal workers and the position taken by the Anti-Inflation Board in other respects, and to convince as many of the Canadian people as possible of the consistency of this program. Particularly, is it the intention of the Prime Minister to start off with the school board and the teachers in Hamilton and Toronto?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I hope our Prime Minister does find time for national tours. Wherever he goes he receives the approval of the people of this country for the leadership he has given.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Sharp: On recent tours on behalf of the anti-inflation program the Prime Minister has had a profound effect on public opinion. I hope he continues in this way.

Mr. Stanfield: May I make a very earnest plea that the right hon. gentleman do this at the very first opportunity?

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, when the right hon. gentleman returns from a proposed national tour, would he come to the House and explain?

Mr. Sharp: Mr. Speaker, I will pass on to the Prime Minister the suggestion of the Leader of the Opposition that he go on a national tour. I had not thought it particularly necessary, but I hope he takes the advice of the Leader of the Opposition.

ANTI-INFLATION PROGRAM—EFFECT OF GOVERNMENT EXPENDITURES—GOVERNMENT ACTION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to ask the Minister of Finance a question with regard to restraint. The national accounts indicate that the seasonally adjusted expenditures of all levels of government for the second quarter of 1975 are running at an annual rate of more than 50 per cent of the gross national product. This represents a dramatic upswing in governmental participation from a level of 43 per cent in 1973. Is the minister aware of this trend toward government sector dominance of the gross national product, and does this lack of restraint concern him?

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker. That is why we have proposed setting specific limits with regard to the levels of compensation in the public service and, indeed, that is why my colleague the President of the Treasury Board will be making an announcement this coming week about very substantial cuts in federal estimates for 1976-77.

Mr. Clarke: Considering the alarming increase in government involvement in the economy, can the minister tell the House whether he has a ceiling in mind for maximum public sector involvement beyond which he would not tolerate further government expansion, and if so, what is it?

Mr. Macdonald (Rosedale): The hon. gentleman seems to be assuming that I have some control over the provincial governments and the municipal level as well.

Mr. Baker (Grenville-Carleton): You have no control over your own government.

Mr. Macdonald (Rosedale): The hon. member should recognize the fallacy of his question. In so far as the federal government is concerned, certainly we will be making every effort to restrain the impact federal expenditures have on the possible increase in the rate of inflation in Canada.

* * *

SOCIAL SECURITY

INCLUSION OF MINISTER'S PERSONAL GREETINGS WITH DECEMBER PENSION CHEQUES—REQUEST FOR ESTIMATE OF COST

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Minister of National Health and Welfare, if I might disturb him for a moment. While no one will criticize arrangements made by his department, as recently

announced, to have January pension cheques arrive before Christmas rather than the usual end of the month time, could the minister tell the House what entitled him to print, at public expense, his own personal Christmas greetings to the pensioners of Canada and to circulate them with the December pension cheques?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, those inserts and greetings are sent regularly, on a monthly basis, to all pensioners and family allowance recipients. They cover a wide range of matters concerning government activities. While informing pensioners that pension cheques will be raised as of January, I thought it would be appropriate to offer them our best wishes on behalf of the government, and I am glad to do so, once again, here in the House.

● (1150)

[*English*]

Mr. Cossitt: A supplementary question, Mr. Speaker. Is the Minister of National Health and Welfare prepared to make public the cost to taxpayers of this use of public funds, which, obviously, has created the situation in which he is trying to make it appear that Santa Claus really is the Liberal party?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Lalonde: Mr. Speaker, if I remember well, I have already given this information to the House in answering written questions from hon. members. However, if the hon. member wishes to ask another question, I shall be very pleased to supply him with the requested answer. I wish to point out that all details pertaining to the cost of inserts enclosed with family allowance and old age pension cheques have previously been made available to the House on several occasions.

* * *

[*English*]

ANTI-INFLATION BOARD

REQUEST FOR ACTION ON PRICES—SUGGESTED PUBLICATION OF FOOD PRICES IN FORCE BEFORE AND AFTER OCTOBER 14

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. Since the Anti-Inflation Board has, so far, publicized only those decisions affecting wages, such as the cases in Toronto and Hamilton and that involving the postal workers, when will the board decide to cut back prices?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I know that both the chairman and vice chairman of the board have expressed concern about this area, particularly food prices. I anticipate that there will be some early decisions and action by the board for restraint in this area as well.

Mr. Nystrom: A supplementary question, Mr. Speaker. Has the minister drawn the board's attention to the desire of members of the House to make public the price lists of food companies in force immediately before, and after, the Prime Minister's statement on Thanksgiving Day? Has the board decided to require food distribution chains to make these price lists available, and will they be made public when they are available?

Mr. Macdonald (Rosedale): Mr. Speaker, I will inquire if the board has made that decision.

* * *

[*Translation*]

NATIONAL PARKS

PROPOSAL TO ESTABLISH PARK IN LOWER SAGUENAY—PROGRESS OF NEGOTIATIONS WITH QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to direct my question to the Minister of Indian Affairs.

Can he tell us, in reference to the federal park which is supposed to be located in the lower Saguenay area, what is the result of the negotiations taking place with the Quebec government and, more specifically, whether or not the government has decided to open up a national park in the lower Saguenay?

[*English*]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is the government's wish to see a park created in the Saguenay area. Negotiations have been going on and we are making headway, with the active assistance of the President of the Treasury Board.

Mr. Stanfield: Oh!

Mr. Baker (Grenville-Carleton): There goes your good old restraint.

Mr. Buchanan: The matter is being discussed this week at the cabinet meeting of the provincial government. Mr. Simard, the minister of tourism, hunting and fishing, has been trying to reach me—and vice versa—since the meeting. I am optimistic that things are in good shape.

* * *

TRANSPORT

FREIGHT RATES—REQUEST FOR ASSURANCE RATES ON WOODCHIPS WILL NOT EXCEED ANTI-INFLATION GUIDELINES

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Transport. I am sorry I did not have the opportunity to give him notice. Will the minister review the 20 per cent freight rate increase imposed in August this year, and particularly the 18.5 per cent increase to be imposed on January 1 next, on the transportation of woodchips in New Brunswick, as this situation has apparently brought about the potential closing of at least one mill at Deersdale, New Brunswick? Will

the minister keep close watch on these rates and make sure that increases do not exceed the price restraint guidelines?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we intend to ask the appropriate regulatory agencies to examine freight rate increases, in connection with the guidelines. We shall specifically ask the CTC to do this, in order to report to the administrator if there appears to be any exceeding of the guidelines.

* * *

AIR TRANSPORT

REASON FOR SUSPENSION OF AIR TRAFFIC CONTROLLER AT DORVAL

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Transport. Will the minister confirm whether the air traffic controller who was suspended without pay this week at Dorval was suspended on grounds that he does not speak French, although Dorval airport is not a designated area for bilingual air traffic control? Is this a reflection of government policy?

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker, that was not the reason for suspension.

* * *

INQUIRY OF THE MINISTRY

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of the Environment. In view of the results of the provincial election held in British Columbia yesterday, will the minister consider declaring the NDP endangered species, particularly in B.C.?

Some hon. Members: Hear, hear!

* * *

TRANSPORT

REQUEST THAT DEPARTMENTAL CONTRACTS SPECIFY USE OF CANADIAN CERAMICS

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the Minister of Transport. Because of the comparative advantage we enjoy in the ceramics industry in Canada, will the minister, together with the Minister of Supply and Services and Minister of Industry, Trade and Commerce, assure this industry that government contracts will specify the use of available Canadian ceramic products and that we will not follow the practice followed in the case of the new Calgary airport?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the government observes some broad rules in connection with Canadian materials. I do not know if they apply in the particular case in question, or to a specific tendering operation, but I will look into the matter.

[Mr. Howie.]

REGIONAL ECONOMIC EXPANSION

DATE OF DECISION ON GRANT TO CROCUS FOODS, MANITOBA

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Has the department okayed the DREE loan or grant to Crocus Foods of Manitoba?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am not in a position to make available to the public a decision which was made by myself and my department until the interested parties are ready to disclose the content of this decision.

* * *

[*English*]

TRANSPORT

ARRANGEMENTS FOR SHIPPING WHEAT THROUGH PORT OF CHURCHILL

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the minister responsible for the Wheat Board. Now that the shipping season at Churchill has closed and will not re-open for at least seven months, are arrangements under way to ship 30 million bushels of wheat through the port of Churchill next year? The shipping season began 21 days late, but we still shipped 22 million bushels. Are arrangements under way to increase the amount shipped next year to 30 million bushels?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it is always the object of the Wheat Board to ship as much grain as possible through Churchill. The kinds of difficulties which occurred this year, inasmuch as many vessels expected earlier in the season did not present themselves, put some limitation on the volume which can be shipped through the port. But the ongoing efforts of the Wheat Board will certainly continue next year. Its object will be to make maximum use of the port for shipments of wheat and barley.

* * *

MANPOWER

UNEMPLOYMENT IN CAPE BRETON—GOVERNMENT ACTION TO ALLEVIATE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In light of the shocking and tragic unemployment on Cape Breton Island, where workers have been laid off in the steel industry, and coal industry, where an automobile plant has closed and CN cut back its operations—Mr. Speaker, you name it, and it's happened—may I ask the minister, as general manager of this country's employment service, what plans the government has to put people back to work on the island?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as the hon. member knows,

and we have discussed this privately, substantial funds are devoted to direct employment in that area, as well as others. We have no additional funds to put into that particular program at present. I am conscious of the problem, as other representations have been made to me as well. I will be glad to re-examine it, in co-operation with my colleagues, to see what may be done, although recognizing that there are no magic wands we can wave to eliminate that problem.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

Mr. Clarke (Vancouver Quadra): Mr. Speaker, I rise on a point of order. Yesterday, after the usual Thursday question concerning business of the House, the government House leader answered. I made a careful note of his comments, and nowhere did he refer to Bill C-77, the National Housing Act amendments. Since the Standing Committee on Health, Welfare and Social Affairs met for four separate sessions yesterday, totalling ten hours, which ended at 10.30 last night, I wonder if the minister would inform the House when that important piece of legislation will be called before the House.

● (1200)

Mr. Sharp: Mr. Speaker, when I was dealing with House business yesterday, I was dealing with the bills I was calling for Thursday, Friday and Monday. I was not quite sure how long Bill C-69 would take. It is our intention, however, to call more bills, including Bill C-77, Bill C-58 and others that may come out of committee in the meantime, or one that has already come out of committee. It is our intention to proceed with Bill C-77 until it is completed.

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

Eighth report of Standing Committee on Health, Welfare and Social Affairs—Mr. Corbin.

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

* * *

[*English*]

PRIVILEGE

MR. LAWRENCE—GOVERNMENT POLICY STATEMENT MADE OUTSIDE HOUSE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I rise on a question of privilege. I appeal to Your Honour, as the guardian of the rights of members of this House, and I hope you can indicate to me some remedy that may be applicable in this case. I shall be very brief.

Last night, after the House rose and after the polls closed in British Columbia, a press release or statement containing some very major elements of government policy was issued by the government. I understand it was issued in the name of the Prime Minister (Mr. Trudeau). There was frequent reference to it this morning. I feel very deeply and most sincerely that my rights and privileges as a member of this House to know what that statement and declaration of policy may or may not be have been transgressed. The statement should have been made this morning in this House at the earliest opportunity for a minister to stand, on behalf of the ministry, and make a statement on motions.

I believe my rights and those of all hon. members have been transgressed. This action is in contempt of all members of this House. I appeal to Your Honour to indicate if there is any remedy available to force such a statement to be given for the official record of this House and at the proper time in this House.

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I rise on the question of privilege. Last evening it had been the intention of the government, if it had reached a decision and had been able to complete the drafting of this statement, to appear in the House and make the statement then. Unfortunately, because of circumstances that I explained last night and shall not repeat, that was not possible. We completed the drafting of our reply just before 11 o'clock last evening. The Prime Minister (Mr. Trudeau) made a brief statement to the press before the television cameras as he left the cabinet room. Later in the evening, getting on toward midnight, the statement was released in the two official languages.

If the House is agreeable, I will be quite happy to table the statement that was made last night. Under our procedure, of course, we have had a very extensive cross-examination on the basis of a statement that I made sure was distributed to all members before the opening of the House today.

Some hon. Members: Hear, hear!

Mr. Speaker: I shall deal first with the question of privilege raised by the hon. member for Northumberland-Durham (Mr. Lawrence). It is, of course, not a matter of the procedure of this House or, therefore, a matter of privilege, whether a minister at any given time decides to make a statement of any sort during routine proceedings.

On the second question, namely, the request of the President of the Privy Council (Mr. Sharp) that he have the consent of the House for the tabling of these documents, I am not aware of the nature of the documents or whether this requires the unanimous consent of the House. In any case, the President of the Privy Council seeks consent to table them. I presume that consent is forthcoming.

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Order Paper Questions

PROCEDURE AND ORGANIZATION

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Hon. Mitchell Sharp (President of the Privy Council) moved that the fourth report of the Standing Committee on Procedure and Organization, presented to the House on Wednesday, December 10, 1975, be concurred in.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,366, 3,103, 3,305, 3,339, 3,611, 3,629, 3,657 and 3,665.

[*Text*]

LANDED IMMIGRANTS

Question No. 2,366—**Mr. Robinson:**

What is the breakdown by nationality of the 18,884 aliens who became landed immigrants in Canada through Orders in Council during 1974?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See table following.

NOTE: The following list represents 13,619 persons whose particulars appear in our statistical records as having been landed in 1974 through the use of the Order-in-Council procedure. The difference of 5,265 persons between Order-in-Council authorization and landing is accounted for by such things as, persons for whom it was necessary to waive more than one prohibition therefore receiving more than one Order-in-Council authorization. Persons who do not proceed to Canada, or leave Canada voluntarily after Order-in-Council had been obtained, etc.

Country of Citizenship	Number Landed through Orders-in-Council during 1974
Britain	1,592
Austria	18
Belgium	20
Czechosolvakia	11
Denmark	27
Estonia	2
Latvia	2
Finland	15
France	198
Federal Republic of Germany	139
Greece	653
Hungary	54
Republic of Ireland	33
Italy	568
Malta	2
The Netherlands	48
Norway	12
Poland	189
Portugal	1,182
Spain	51
Sweden	19
Switzerland	18
U.S.S.R.	16
Yugoslavia	103
Turkey	41
Bulgaria	7
Iceland	1
Liechtenstein	1
Romania	26
Egypt	41
Zambia	3
Rhodesia	1
South Africa	60
Tanzania	27
Algeria	5
Kenya	19
Morocco	14
Tunisia	12
Uganda	44
Lesotho	1
Burundi	2
Cameroon	7
Ethiopia	3
Gabon	2
Ghana	11
Guinea	2
Liberia	1
Malagasy Republic	1
Mauritania	1
Nigeria	42
Senegal	1
Somali Republic	1
Sudan	5
Africa N.E.S.	3
Sri Lanka	17
People's Republic of China	163
Formosa	30
India	371
Israel	58
Japan	64
Lebanon	48
Pakistan	54
Syria	13
Bangladesh	11
Cyprus	28
Indonesia	18
Iran	53
Iraq	7
Jordan	6
Phillipines	46
Burma	3
Malaysia	32
Singapore	15
Afghanistan	3
Brunei	2
Khmer Republic	2

Country of Citizenship	Number Landed through Orders-in-Council during 1974
Korea, People's Republic	1
Korea, South	18
Laos	1
Thailand	6
Vietnam, North	1
Vietnam, South	59
Yemen	3
Australia	102
New Zealand	23
Australasia N.E.S.	6
U.S.A.	3,961
Mexico	199
Costa Rica	4
El Salvador	31
Guatemala	38
Honduras	7
Nicaragua	6
Panama	1
Jamaica	875
Trinidad and Tobago	322
Barbados	62
Anguilla	1
Antigua	3
Dominica	4
Grenada	15
St. Kitts	2
St. Lucia	8
St. Vincent	12
Cuba	6
Dominican Republic	14
Haiti	186
Argentina	118
Brazil	42
Guyana	272
Chile	26
Colombia	125
Peru	31
Uruguay	54
Venezuela	20
Bolivia	4
Ecuador	252
Paraguay	12
Fiji	16
Mauritius	2
Stateless	267
Total	13,619

FRENCH LANGUAGE RADIO STATIONS OUTSIDE QUEBEC

Question No. 3,103—**Mr. Jones:**

1. Is the establishment of French language radio stations outside Quebec based on the 1971 census figures for the number of persons in various areas who were reported as able to speak French, including bilinguals for whom French is a second language?

2. Has Statistics Canada informed CBC that the number of French-speaking persons outside Quebec was inflated in the original figures published for the 1971 census and, if so, which areas that would have had French radio under the original figures have been taken from the list as a consequence of the correction?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Canadian Radio-Television Commission, Statistics Canada and Canadian Broadcasting Corporation as follows: 1. It is assumed that the question refers to the CBC Accelerated Coverage Plan under which five applications have to date been submitted to the Canadian Radio-Television Commission for the establishment of CBC French language radio stations in locations outside the province of Quebec. These applications indicate that the population figures shown therein are 1971 figures.

2. (a) See part 4 of Question No. 3,102, tabled in the House of Commons on November 26, 1975. (b) No deletions were made since the results of the edit were incorporated into the official published figures, which were the ones used by the CBC.

STATEMENTS IN PRESS ATTRIBUTED TO PRESIDENT OF PANARCTIC OIL

Question No. 3,305—**Mr. Forrestall:**

1. Is the President of the Treasury Board aware of the statements in the press attributed to the President of Panarctic Oil during the week of October 20 to 24, 1975 indicating the possibility that Panarctic Oil will purchase three Scandinavian crude oil tankers for transport of Arctic oil to market should that be feasible?

2. Is the Minister aware of the extent of participation in Panarctic Oil by the government and its agents and, if so, to what extent is this participation?

3. Has the Minister examined the implications of going outside Canada for such vessels in terms of the long-term viability and health of the Canadian ship-building industry and trade balance and (a) if so, what conclusions have been reached (b) if not, for what reason?

Hon. Jean Chrétien (President of the Treasury Board):
1. Yes.

2. 45 per cent.

3. The Advisory Committee on Industrial Benefits from Natural Resource Development will be meeting with Panarctic Oils in the immediate future to discuss the implications of the announced oil discovery, including marine transport implications.

MONEY SPENT BY INFORMATION CANADA

Question No. 3,339—**Mr. Hnatyshyn:**

1. How much money was spent by Information Canada in (a) 1974 (b) the first six months of 1975?

2. How much money is to be allotted to Information Canada for (a) 1976 (b) 1977?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answers are as follows: 1. (a) $9,002,821.34. (b) $4,408,640.73.

2. (a) 1975-76 Main Estimates $9,562,000. Supplementary Estimates "A" $732,747. (b) Unknown.

Order Paper Questions

SUPPLY AND SERVICES—TOBOGGANS PURCHASED

Question No. 3,611—**M. Reynolds:**

With reference to the answer to Question No. 3,164, can the Minister of Supply and Services advise what are the special features of the toboggan purchased by the government that the cost was over $200?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as DSS is concerned, the toboggan is of a special DND design and is used as a lightweight, air droppable, 200 lb. capacity, cargo carrying device in Arctic regions. The toboggan is boat-shaped, manufactured from magnesium in order to minimize weight, has plastic runners, and is specially reinforced for strength and ruggedness. Other features include a cargo pack kit which is a nylon enclosure to contain and protect the supplies being transported, a special magnesium handle for pulling the toboggan, and various ropes, straps and cleats to adapt the toboggan to its various functions. The toboggan is used primarily for transporting supplies on field trips in the Arctic, but is also used as a parachute drop platform, and as a litter.

UIC—LAWYERS EMPLOYED IN VICTORIA, BRITISH COLUMBIA

Question No. 3,629—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Unemployment Insurance Commission during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. 1973—Ian H. Stewart, Hallatt, Stewart & Gow, 850 Fort Street, Victoria, B.C.; 1974, J. Michael Hutchison, Sullivan, Smith & Bigelow, 505 The Yarrow Building, 645 Fort Street, Victoria, B.C.

2. 1973, $284.68; 1974, $75.

ENTRANCE FEES TO RIDING MOUNTAIN PARK

Question No. 3,657—**Mr. Stewart (Marquette):**

For April, May, June, July, August and September 1974 and 1975, what (a) were the entrance figures (b) amount was received in entrance fees at Riding Mountain National Park?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development):

(a)	1974	1975
April	32,905	28,697
May	80,099	75,243
June	133,142	114,996
July	212,312	179,572
August	201,273	157,231
September	55,341	41,488

[Mr. Munro (Hamilton East).]

(b)	1974	1975
April	$ 2,918	$ 4,915
May	8,403	27,267
June	8,387	22,398
July	18,392	59,390
August	11,828	34,403
September	3,176	10,114

EXPANSION OF ST. LAWRENCE ISLAND NATIONAL PARK

Question No. 3,665—**Mr. Cossitt:**

1. Is the Minister of Indian Affairs and Northern Development aware of a statement made by Mr. James Christakis of Parks Canada to a public meeting at Rockport, Ontario on or about Thursday, November 20, 1975 to the effect that the Province of Ontario was aware of the federal government's plan to expand the St. Lawrence Islands National Park and that the Minister of Indian Affairs and Northern Development met with his provincial counterpart before the announcement was made last May?

2. Did the Minister meet with provincial officers and, if so (a) on what date (b) in what location (c) what were the names of the provincial representatives?

3. Is the Minister of Indian Affairs and Northern Development aware that a member of the Cabinet of the Province of Ontario advised the public meeting at Escott, Ontario on Saturday, November 28, 1975 that the provincial government was not aware in advance of the plans for expansion of St. Lawrence Islands National Park by the federal government?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. Yes.

2. Yes. (a) January 30, 1975. (b) Ottawa. (c) Hon. Leo Bernier and his Deputy Mr. A. Herridge.

3. Yes.

* * *

[*Translation*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 3,317?

[*Text*]

*PARLIAMENT HILL—TRAFFIC MARKINGS

Question No. 3,317—**Mr. McKenzie:**

1. On what dates in 1975 were (a) crosswalk (b) parking (c) similar markings painted on Parliament Hill roads?

2. (a) Who authorized such work (b) on what date (c) at what cost?

3. On what dates in 1975 was resurfacing work carried out on Parliament Hill roads?

4. (a) Who authorized such work (b) on what date (c) at what cost?

5. Is it the intention of the government to replace in 1975 any crosswalk, parking and similar markings that were covered over by the resurfacing of Parliament Hill roads and, if so (a) on what dates (b) what is the estimated cost?

[*Translation*]

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the answer to question No. 3,317 is as follows: 1. Repainting of all such markings was carried out during the month of July.

2. (a) This work was requested jointly by the R.C.M.P., the Sgt. at Arms and the Black Rod and was authorized by the Department of Public Works' on-site building manager.

(b) The work was authorized on June 11, 1975. (c) The cost of the work performed by D.P.W. trades staff amounted to $1,032.74.

3. Resurfacing work was carried out between October 23 and 27, 1975.

4. (a) National Capital Operations of D.P.W. as a result of public tender-call. (b) The overall contract was awarded on September 30, 1975. (c) The cost of resurfacing was $19,725.00.

5. (a) Parking-line marking was completed on October 30th under the contract. (b) Cost of line marking valued at $220.00 was included in contract.

Mr. Speaker: Are the remaining questions allowed to stand?

Some hon. Members: Agreed.

[*English*]

Mr. Paproski: Mr. Speaker, I rise on a point of order. Upon agreement with the Secretary of State for External Affairs (Mr. MacEachen), I deleted 80 questions that were on the order paper and put on ten others to allow the government to answer quickly. The government seems to be afraid to answer my questions. I believe I have been very patient. If these questions are not answered before we come back after the Christmas recess, I will have no alternative but to put back on the order paper the 80 questions which I deleted. I would also like to add that we on this side of the House believe in co-operation. We would like promises to be kept on the other side.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed, from Thursday, December 11, consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the third time and do pass.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, at adjournment last night I was attempting to analyse the minister's statement of December 4, 1974, in terms of what he said about the four objectives of Bill C-41. I want to deal now with objective No. 3 which he cited in that statement, namely, that Bill C-41 would be complementary to the development of the livestock industry. It is difficult for me to understand what, if anything, it will do for the development of the livestock industry.

● (1210)

We can all generally agree that recurring booms and busts in grain markets have a disruptive influence on the livestock industry. Because the grains stabilization plan purposely avoids interfering with the market forces which the minister mentioned in his statement, the plan will do nothing to protect the livestock industry from those disruptive influences. Stabilization payments made at a time when grain prices tumble and markets are glutted will not change the fact that the low-priced grain is there to be diverted into the feeding of additional livestock. When basic market forces dictate that grain prices are high because of scarcity, the livestock producers suffer. We have seen this cycle repeated time after time to the detriment of both the grain and the livestock industries. I therefore submit it is wrong to say that a plan which leaves the basic market forces intact will contribute to the development of the livestock industry.

The fourth and final objective the minister listed in his statement of December 4 was that the grain stabilization plan would be based on a set of principles consistent with general objectives for agriculture which could be applied to other commodity groups. Mr. Speaker, with all due respect, that has to be the most incomprehensible statement ever made on the proposed grain stabilization plan. I challenge any hon. member to find any other example among the long list of private or public insurance or social security programs in this country which is based on a set of principles similar to that proposed in the grain stabilization plan.

In fact, Bill C-41 has its priorities backwards. The authors of the plan have adopted as principles what are considered to be beneficial side-effects of other programs to protect individuals or groups against uncertainties and vagaries inherent in our economic and social system. It is well known that programs designed to protect individuals and groups against financial losses resulting from accident, illness, unemployment, old age, and so on, have the beneficial side-effect of preventing a sharp decline in spending. Because such programs tend to prevent the economy going into a tailspin in that they maintain aggregate spending, economists have dubbed them "built-in stabilizers". The primary purpose of the program is the protection of individuals. The factor of economic stabilization is a side-effect. The proposed grain stabilization plan, however, has as its primary purpose the aggregate stabilization of the cash flow from grain sales. Protection of individual farmers would be a side-effect of the plan and is by no means assured. This is why we submit that Bill C-41 has its priorities backwards.

It is ironic that the statement should be made that Bill C-41 is based on a set of principles consistent with the general objectives of agriculture which could be applied to other commodity groups. If this were so, why did the government see fit to put through the two-price wheat act and introduce Bill C-50, an act to amend the Agricultural Stabilization Act? If the principles on which Bill C-41 are based are so sound, why not apply them to cattle, hogs and sheep, industrial milk, industrial cream, corn and soy beans? Those commodities are not governed on the basis of the principles the minister has embodied in this bill.

I think it should be made abundantly clear that the government of Manitoba does not support the principles upon which the proposed grain stabilization plan are based. The government of Saskatchewan does not support them. Neither do members of the official opposition or members of my party. Farmers, by the thousands, do not support them. The farm organizations which the minister feels are supporting his legislation are, in fact, so fed up with waiting to get some meaningful stabilization legislation that they are throwing their hands up and saying, "Well, it is better than nothing." How the minister can consider this as amounting to wholehearted support for Bill C-41 is beyond me.

We cannot support the principle that the maintenance of an aggregate cash flow is an important public objective while the provision of basic security to individual producers is merely incidental. We have endeavoured to persuade the government to adopt a number of amendments, but the government has refused to accept any but a couple of minor ones. Even if the amendments we proposed had been accepted, the legislation would have remained deficient. Surely the provision of basic security to the individual producer must come first. Everything else is incidental.

Let me illustrate the degree to which the legislation is unfair in other areas. The minister did come around to our point of view, expressed four years ago, that any income stabilization program should be based on net income, not on gross income. He has come at least part of the way by basing pay-outs on the net cash flow. This means that the farmers real and legitimate costs of production have to be taken into account in order to arrive at their net income. Although we tried in committee and during the report stage to persuade the government that it is excluding legitimate costs of production in the most arbitrary and unfair manner, in terms of arriving at the point at which a pay-out had to be made from the fund, our efforts were unsuccessful.

Mr. Speaker, in every kind of business, under present accounting practice items such as depreciation on farm buildings, farm machinery and equipment are considered to form part of the cost of production. But this is not recognized in the bill before us. If Your Honour has had any dealings with grain producers you will know that depreciation of farm machinery and equipment is a major item each year. Even more unfairly, the bill in no way specifies that interest charges on buildings, machinery and equipment may be considered a legitimate expense in computing a farmer's net income from grain sales.

The parliamentary secretary, the hon. member for Assiniboia (Mr. Goodale), tried to persuade me in the House during the report stage that the legislation could be construed as meaning that interest charges would be covered. I still cannot find support for his contention after reading the bill. I believe the hon. member is wrong and if the legislation passes, interest payments by farmers on buildings, machinery and equipment will not be allowed as a cost of production.

I now turn to the 2 per cent levy which farmers will have to pay. Everyone I have talked to has concluded that this levy is a premium which has to be paid in order to secure coverage under the plan. But the minister says this levy cannot be counted as a cost of production. The premiums a farmer pays for the insurance of his property, crop insurance, and so on, are allowed as legitimate deductions for income tax purposes. They are included in the cost of production. This is a practice accepted under all normal accounting procedures, it is followed by farm management clubs, and so on, but not under the proposed grain stabilization act. The cost of this premium can amount to $500 a year and it is, of course, a cash expense. The minister talks about cash flow. If the payment of interest on farm buildings and machinery is not a cash flow out, I do not know what is. The 2 per cent deduction for the levy is a cash expense that affects the grain producer's cash flow, but it is not covered by Bill C-41.

● (1220)

Let me talk for a moment or two about how this legislation is going to be unfair to producers because it covers all grain producers, not grain producers as individuals. There is an instance occurring right now along a branch line in my constituency where the CPR has not run a train for two weeks and says it is not going to run one for several more weeks. I had telephone calls from three producers along that line last night—one of them lives half a mile from his elevator and has a malting barley permit—and these producers have a total of four carloads and have to deliver to the next branch line, an additional haul of 30 to 40 miles for each of them. The additional hauling costs will use up the premium on the malting barley.

Those producers are unable to deliver their grain to the delivery point because the CPR says they are not going to run any more trains over that track for a few weeks. I hope the minister is making a note of this because I will phone his office about it later today. On this particular branch line somewhere in the order of 10 of 20 carloads of malting barley will have to be delivered to another branch line, meaning an additional haul of 20 to 50 miles for each producer. If the grain stabilization plan were in effect and those farmers were unable to make their deliveries, their effect and those farmers were unable to make their deliveries, their income would drop. Their cash flow would drop, to use the minister's term. But they will not be protected under this program unless every grain producer's cash income drops.

The province of Manitoba, in its submissions to the committee, and also the submissions of the Manitoba crop insurance board to the Senate committee, made not only what I consider most practical and proper proposals for a grain incomes stabilization plan but also offered to administer the plan for the government with only a small increase in the staff of the crop insurance board already in place. They offered to administer it on an individual basis so that farmers could pay their premiums and would know what coverage they were buying. They would be protected against losses due to economic circumstances over which they have no control.

In other words, our grain income stabilization program would be integrated and meshed with crop insurance so that the farmer would have complete protection against natural hazards under crop insurance and against the hazards of the marketplace and prices, whether they be domestic or international. The farmer would have individual coverage, and that is the only way this kind of

legislation would be fair and proper. I agree with the position taken by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and other members of the official opposition. We have taken the same position, that the program should be on an individual basis. It can be on an individual basis, and why the minister insists on an aggregate basis is beyond me. It betrays the whole principle of income insurance, income protection, income stabilization or whatever you want to call it.

Take the case of producers of grain, rapeseed, and so on, in northern Saskatchewan. They could have a good yield, which would mean they had no coverage under crop insurance. But the yield could be of poor quality, consisting of low protein wheat or barley not fit for malting, for which there is no market. On the other hand, grain producers in the rest of the region might have a good yield of high quality grain and they can make large deliveries. The Canadian Wheat Board and purchasers of non-board grains will buy the higher quality crops. I am sure the honourable member for Meadow Lake (Mr. Cadieu) can verify that the income of farmers in that area would drop because they make low deliveries due to economic circumstances over which they have no control, and under this legislation they will not be protected.

The only way these producers would get a pay-out is if the total net income of the entire Wheat Board region falls below the previous five-year average. Under this legislation you could have 5,000, 10,000 or 15,000 grain producers whose income drops through no fault of their own. If this drop in income is not due to natural hazards, they are not covered. Surely that is the wrong kind of stabilization program to have.

This bill needs to go back to committee and the minister should agree to make fundamental changes in the legislation. Once the legislation is in place, Mr. Speaker, we all know that no matter how unfair it is and how badly it is working, it will take years to get such fundamental changes as this made. The province of Saskatchewan has expressed support for the position taken by the province of Manitoba, and I am confident that the province of Alberta will do likewise.

This program should be integrated with the crop insurance program and farmers should be protected on an individual basis. Then they will know what they are buying, what protection they will get and against what hazards they are covered. They will not have to wait until the entire region suffers before getting protection. The minister can hand over administration of this program to the crop insurance boards of Manitoba, Saskatchewan, Alberta, and also British Columbia because the Peace River district is in the designated area.

I and my colleagues are unable to support this legislation in its present form, and I regret that very much. The minister has made some changes from the legislation of 1971. He did learn his lesson a little then, but he still retreats from the kind of income stabilization program that is needed. He still refuses to depart from the nineteenth century concepts about the free play of the open market, and so on, and protecting the grain producer or any other producer from the hazards and fluctuations of so-called basic market forces. I do not want to be party to legislation that is designed to reinforce systems that continually get grain producers or livestock producers into difficulties with boom and bust cycles. The grain stabilization program of the minister will not level out and protect the incomes of individual grain producers in times of boom and bust. Indeed, the legislation is deliberately designed not to do so.

I see my time is almost up, so I would urge the minister to reconsider the legislation. Let him take it back to the drawing board and re-examine the submissions of the government of Manitoba, supported by many other submissions and by the province of Saskatchewan. I am confident that Alberta would also support it if the minister discussed it with them. Let him redraft the legislation and implement a grain stabilization program that covers farmers on an individual basis and is administered in conjunction with crop insurance. It would then be welcomed by members on all sides of the House, by individual producers and by all farm organizations.

If the minister fails to do this, he should not be surprised if there is lack of urgency on my part and on the part of many other members of the House to deal with this legislation. In fact, if the legislation does not see the light of day it will not hurt my feelings, and my impression is that it will not hurt the feelings of the grain producers in western Canada. Indeed, they are yawning over it. They are bored by it. They cannot understand it. It is too complicated for the minister to explain, and it is certainly beyond me. If you read some of the provisions of the bill you will end up talking to yourself. To accept that and to try to explain it to grain producers in order that they will be interested in taking part in the program is an exercise in frustration.

● (1230)

The history of the grain stabilization program has been well noted for this House. For years the grain producers, provincial governments and farm organizations have been asking for income protection in relation to prices and markets, as well as in relation to natural hazards. One would think the minister would finally realize that this is the kind of stabilization program these people want, rather than the proposal contained in this legislation.

I hope other members of the House will take part in this debate in order to bring these things to the minister's attention in a last-ditch effort to persuade him that the legislation should not pass in this form but, rather, should be sent back to the standing committee to be redrafted in line with the proposal made by the province of Manitoba. The minister would find that such a proposal would be acceptable to the members of the three opposition parties and to the provincial governments and, most important, acceptable to the individual grain producers in western Canada.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I am pleased to have the opportunity of participating in the debate on third reading of the western grain stabilization bill. Initially, we were told by the minister the urgency of this legislation and that the producers in western Canada were clamouring for its passage. I checked the record this morning, and it is interesting to note that first reading was given on December 4, 1974—over a year ago. Second reading was not given until April 28, 1975. Finally, yesterday,

December 11, we reached third reading stage. It is over one year since this bill was first introduced.

Mr. Peters: They just throw it in when they have nothing else to discuss.

Mr. Neil: That is right. It seems to me the minister has been too busy with some of his other portfolios to take a real interest in piloting this bill through the House.

I go along with the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) when he said yesterday that agriculture should be under the purview of one minister rather than being the subject of divided responsibility, as is the case today. Only if we have one minister in charge of agriculture can we have the co-ordination and co-operation necessary to make agriculture really go in this country.

First of all, we should consider what this bill does. Let me make it clear at the outset that it does not provide stability of income to the individual producer. What it does is attempt to stabilize the over-all economy of western Canada and make a relatively table tax base for the government. This is not what the producer in western Canada is interested in or wants.

When the bill was tabled for first reading, I obtained a number of copies and mailed them to various farm organizations in my constituency, as well as to the reeves and secretary-treasurers of the municipalities, and asked them to let me have their comments. I received one reply asking for further information. I made some inquiries later during the summer of those individuals and organizations in an attempt to find out why I had not heard from them. Their answers were very simple. The bill was such a complex and complicated piece of legislation that they could not understand it; therefore, they were not in a position to ask questions or to make comments. How can one comment on a bill that cannot be understood?

In June of this year the Standing Committee on Agriculture travelled to western Canada and visited the major cities in the three prairie provinces. Prior to that visit we requested farm organizations and individuals to make presentations. Some 18 organizations and representatives from the departments of agriculture for the provinces of Manitoba and Saskatchewan made presentations. Without exception, their first comment was about the complexity of the legislation. All these organizations and representatives of wheat pools and the National Farmers' Union said they really could not discuss the bill with their grass-roots members because of its complexity. This was after representatives of the Department of Agriculture had travelled throughout the west making presentations as to how the bill would work and how it would affect the prairie farmer. A similar presentation was made to our committee, during the course of its hearings, which included a series of charts and figures. Those charts and figures did not explain the bill.

Time will not permit me to mention all the points that concerned the groups which made representations to the committee. Other speakers have already touched upon some of them, but I should like to mention one or two. The first matter involves the question of including depreciation as an expense. The minister and his parliamentary secretary attempted to give an explanation of why depreciation should not be included. Farmers in western Canada will tell you that depreciation of their equipment and buildings is a major expense of carrying on farming operations. Briefs also touched on the suggestion that interest should be included as an expense of carrying on operations. They did not ask that interest on land be included as an expense but, rather, the interest on their capital investment for machinery and on their borrowings from the banks for their day to day operations. The minister has not seen fit to include these items as expenses.

The minister has spoken of voluntary compliance with the plan. As the plan stands, farmers are included unless they opt out. They can opt out and in only once, and then they are in for all time. This is something that concerns producers in the prairie region. They like a voluntary plan, and do not like to be forced to participate in something they do not like and do not understand. The majority of those who made presentations were concerned about the global aspect of the plan, as well as the fact that pay-outs under the plan are only triggered when the average cash flow in the entire Canadian Wheat Pool area is less than the previous five-year average. The majority of the representatives of these organizations spoke of a regional basis on which to trigger the payments. Almost without exception, when questioned each organization and each individual indicated that an ideal plan is one based on individual participation.

● (1240)

I should like to refer to the minutes of the meetings held, one in Saskatoon and one in Winnipeg. I shall refer to issue No. 53 of the *Minutes of Proceedings and Evidence* of the Standing Committee on Agriculture, dated Friday, June 20, 1975. This is a presentation by the Manitoba Farm Bureau. It reads in part:

> In discussions with grain producers it often becomes evident that there is some tendency to reject the idea of participation in the plan because as it stands it does not provide for application of it on a regional basis.

A little later in the same issue, at page 81, in a presentation made by Mr. Otto Fielman who is a grain producer from the area of Rosenfeld, Manitoba, and also a director of the Manitoba Wheat Pool, we find this statement:

> Farmers are independent business operators that want a stabilization plan to fill their individual needs, and not a lottery type chance of payment which has no connection with their own operation.

In issue No. 52 of the *Minutes of Proceedings and Evidence*, at page 42 Mr. Lemon, a representative of the National Farmers' Union, local 611, had this to say:

> To average the entire Wheat Board area appears to be ridiculous as a protection for individuals or localized areas.

Mr. Speaker, the bill covers six different grains—wheat, oats, barley, rye, flax and rapeseed. As I mentioned before, payment is triggered when the net cash flow in the entire Canadian Wheat Board area in a particular year is less than the previous five-year average. But consider the situation of the various producers in the prairies. There are many who specialize in producing a particular type of grain, depending on the area in which their farm is located.

There are areas where people specialize in the growing of rapeseed or feed grains or flax. Let us suppose a farmer specializes in one of these particular crops and in one year or, perhaps in two or three years, the volume of sales is low and the price of the particular grain is low, yet the price of the other five grains remains high and the volume of sales is high. Under those circumstances, the average net cash flow in the entire Wheat Board area would exceed the five-year average and there would be no payment out. In other words, there would be producers who, because they specialized in producing a particular type of grain, would not be able to receive benefits under the plan.

If it worked on a regional basis, there would still be problems similar to those if we used the entire Canadian Wheat Board area. Many members here, and most producers, will recall PFAA legislation, which I understand started on a global basis and then worked down to a regional basis. With the PFAA program on a regional basis there were many situations in which particular farmers who were just across the border from the area where a PFAA payment was being made did not receive a cent. A farmer across the road may have a much better crops than them, but because they were in a particular region they were not able to receive payments.

What I am saying is that the utilization of a regional basis is not a fair way to operate a plan. Our party and most producers in western Canada feel that an individual plan is the only basis on which we should be stabilizing income. The minister, of course, would not accept this concept. He suggested that we should put the bill through as it is and then we could make changes. But why put through a bad bill? Why put through a bill that is not acceptable to the producers, the people who will be participating in the program? The producers in western Canada do not want a bill they do not understand. It seems to me the function of any committee is to consider legislation, to listen to representations by interested people and to take heed of what they say. We heard many representations. I think we, as members of the committee, heeded the representations but the minister did not.

This bill is drafted in such a manner that it is impossible to amend it. The minister should have withdrawn the bill and submitted a new one. He cannot use the excuse that time was important because, as I said at the outset, this bill has been before the House off and on, for over a year. So there has been plenty of time for him to consider withdrawing the bill and bringing in a new one. I am sure that if he had done so, the bill would have been passed quite a long time ago.

It is intersting to examine the figures that were presented to members of the committee by representatives of the Department of Agriculture. I am referring to a historical review which covers the period 1954 to 1974 based on actual production and the assumption that this plan was in existence during that time. During that 20-year period, producers in the Canadian Wheat Board area, had this plan been in existence, would have contributed in the order of $441.6 million.

However, if we look further at the chart we find it would have been necessary for the government to lend money to the fund from time to time. It would have been lent at varying rates. In the period 1954 to 1959 the rate would have been 4 per cent; in the period 1960 to 1969 the rate would have been 5 per cent; and in the period 1970 to 1974 the rate would have been 7 per cent. What do we find? We find that during the same period the producers would have been called upon to pay interest of $210.1 million to the government. In other words, their contribution to the fund would have been $441.6 million and they would have had to pay interest of $210.1 million.

● (1250)

Almost half of the producers' levy would have been used to pay interest to the government, leaving only $221.5 million of the producers' money to be used for stabilization. Granted, the contributions of the producers drew interest which totalled $7.4 million. The average amount that would have been paid into the plan annually by the government during that period was $43.5 million. During this period, of course, the plan was not in operation, but under the Temporary Wheat Reserves Act, under PFAA and under some other schemes, the government has contributed some $70 million annually. These schemes have all been phased out or cancelled. On a historical average, using the stabilization bill, the government would be contributing some $43.5 million annually.

As I stated earlier, this program should be administered on an individual basis. There are several ways in which this could be accomplished . I will mention only two. The hon. member for Swift Current-Maple Creek (Mr. Hamilton) will be presenting a third plan later this afternoon. The first alternative I am suggesting is based upon a 2 per cent contribution by the producer and a 4 per cent contribution by the government, but the producers' and the government's contributions would be put into the individual account of the producer and to that account would be added the accrued interest as it built up. We are suggesting, as well, that gross sales would be up to $35,000. If you use that basis, at the end of the first year the producers' levy would be $700 and the government's levy would be $1,400. At the end of the first year the producer would have in his account $2,100 plus interest. At the end of the second year the producer would have in his account, assuming there were no withdrawals, up to $1,400 and the government's levy would be $2,800, for a total of up to $4,200, plus interest.

The operation of the plan would be based on income insurance. The producer would receive a payment from the plan under the following circumstances. At the beginning of the crop year, when the Canadian Wheat Board establishes its initial price, the Department of Agriculture would fix a maximum insurable price for the six different grains based on the five-year average price and the cost of production. The producer, based on the contributions in his account, could insure for the amount per bushel up to a maximum being the difference between the initial price announced by the Canadian Wheat Board and the maximum insurable price fixed by the Department of Agriculture. The producer would then be entitled to receive payment of an amount per bushel equal to the difference between the maximum insurable price and the final realized CWB price per bushel or the amount for which he insured.

Let me give an example. Using crop insurance statistics, if the average yield in the crop district for wheat is, say, 25 bushels per acre, and if the initial price fixed by CWB in

the spring is $2.25 a bushel, if the Department of Agriculture fixes the maximum insurable price at $3 a bushel the producer could insure for the amount per bushel up to a maximum difference between the maximum insurable price and the initial price; in other words, $3 minus $2.25, or 75 cents a bushel. In his first year of coverage, the producer would have a maximum coverage on 2,800 bushels, or 107 acres at 26 bushels an acre. If the final realized CWB price were $2.50 a bushel, the producer would receive 2,800 bushels at 50 cents, or $1,400.

According to the second alternative, a separate account would be set up as before, but rather than using Statistics Canada officials to wander from farm to farm picking up statistics, certain colour coded income tax returns could be used and the Department of National Revenue could inject these figures from the returns into a computer and get an accurate figure on the aggregate net income and the expenses. Payment under this program would be triggered, first of all, when the aggregate net income or the net cash flow in the entire CWB area was less than the five-year average, or if the net income of the individual for the particular year was less than his five-year average. The producer would have the right to elect whether to apply for a payment under the program and he could do so when he filled his income tax return each year. On his retirement, whatever remained in his account, plus interest, would be returned to him, less the benefits he had received.

Neither system would involve government loans. Such a program would be actuarially sound, it would save millions of dollars in interest, and I am sure it would be acceptable. These are only two of a number of possible individual programs. They would be understandable to the producer. I plead with the minister in charge of the Wheat Board to give serious consideration to accepting one or other of these plans in substitution of the plan which is before us. I suggest that he withdraw the bill and bring in another one some time in the near future which would be more acceptable.

The Acting Speaker (Mr. Turner (London East)): It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, the bill before us attempts to stabilize the net proceeds of grain farmers in western Canada. I disagree with the fundamental principle of the bill, which is an aggregate pay-out as opposed to individual compensation. It seems to me that Bill C-41 is just a means which the government is using to try to replace some of the legislation which has been taken off the statute books. As the hon. member for Moose Jaw (Mr. Neil) said, the Temporary Wheat Reserves Act, the Prairie Farm Assistance Act and deficiency payments amounted to about $70 million per year.

[Mr. Neil.]

Federal assistance is certainly warranted, in view of the importance of the western grain industry to Canada and to the world. I suggest that we need a list of priorities for the western grain industry, but surely Bill C-41 is a long way down the list. As we travelled across the prairies last summer, it was said many times that no one really understands this bill. That is because of its language. With regard to persons deemed not to be actual producers, clause 5(8) of the bill reads as follows:

> Where an actual producer who is not eligible to participate under this act makes an application for a permit book together with an eligible actual producer, the actual producer who is not eligible shall, for the purposes of this act, be deemed to be a producer who is not an actual producer.

Is it any wonder farmers threw up their hands when they were asked to comment on this very complicated bill? The minister has compared this bill with fire insurance. The only difference is that if a house burns down, its owner is paid for it; but under this bill, if a farmer loses a crop he will not necessarily receive any money. We have had many years' experience with the Prairie Farm Assistance Act and over the years the act was brought closer and closer to an individual basis. With the experience the government has had of administering that act, I suggest it could well bring this grain stabilization bill toward an individual basis such as we have with crop insurance. It works very successfully in western Canada.

It is hard to overemphasize the importance of western grain to this country. I am looking at the daily Thunder Bay outward traffic report for December 6, 1975. There were 1,170 cars. For the same day, in Vancouver there were 511. There are about 1,700 cars of grain per day being unloaded. Of course, this year everything is moving well. It will not be a record year, but exports will probably be 600 million bushels with another 200 million moving within the country by rail for domestic purposes.

Recent world trends in grain stocks underscore the extent of Canada's food power. Supplies in the world are steadily declining, and for the first time the United States has established a national grain export policy in place of the free rein which was allowed commercial grain exporters in the past. We see the Americans, who are our main competitors in grain exports, negotiating long-term agreements with our good customers, Russia, Japan and Poland. These deals indicate how eager foreign countries are to nail down the world's grain supplies. They are buying fixed volumes in an orderly fashion.

I suggest the Canadian government could do much more for this country along that line. Canada and the United States now account for 70 per cent of the world export of grains. I indicated how much grain was moving for export right now; some 1,700 cars a day are being unloaded. This is going to mean something over $3 billion in exports for Canada. This is over 10 per cent of our total exports. When you consider the multiplier effect of grain sales in this country, one can see that the federal government could well afford to put more money back into the industry. In a world of growing scarcity, Canadians must be made aware of the great power of their grain industry. When ministers of this government go abroad with a little wheat in their pockets, doors are opened to them. Wheat, more than anything else we possess, will open doors for our ministers. The United States ability to produce food has regained for

that country much of the diplomatic clout it lost over the Viet Nam war.

● (1410)

Our country is going the stabilization-supply management route. This scheme, like other stabilization schemes, must inevitably lead to border restrictions. As the United States scales down its so-called give-away programs under public law 480, new opportunities will open for Canada. New cash customers will look to Canada for the kind of grain we grow. Saskatchewan is by far the largest grain producer in Canada. I shall, therefore, put on record part of the telex communication Mr. Kaeding, the minister of agriculture of Saskatchewan, sent to the minister in charge of the Wheat Board. He said:

The Saskatchewan government believes that the whole philosophy behind Bill C-41 is subject to serious question since it does not relate payments under the program to need but rather to historical price levels . . .

The plan does not provide individual, commodity or regional stability. It neglects the geographic and climatic factors which influence the production of various grains throughout the prairies. The implicit assumption is that the prairies are a homogeneous area. This assumption is not valid . . .

If present levels of support for livestock production remain in effect once Bill C-41 is passed, the excessive shifting of resources between livestock and grain production will continue.

He then said:

Interest depreciation and labour cost must be included in any reasonable computation of costs for producers.

This matter was mentioned in the agriculture committee hearings. The communication went on to say:

The use of the Income Tax Department as an administration mechanism should be examined since it could be more efficient and reduce administration costs—

Right now, western resources and resourceful westerners are keeping this country afloat. As I said before, grain export sales this year will amount to over $3.5 billion, or 10 per cent of Canada's exports. If anything interrupts or shuts down the flow of this commodity, the Canadian dollar would be devalued overnight. The word I hear from agricultural producers in my constituency is, "Please do not help us any more with government stabilization plans because they do not seem to have served any useful purpose in western Canada." Actually, since the government introduced its so-called stabilization plan we have seen more violent fluctuations in cattle prices than ever before.

Very simply, grain producers need some means, in years of high income, of deferring tax-free money to an individual, registered stabilization fund. This money could be withdrawn in years of low income. Grain producers already are given the privilege of deferring grain sales from one year to the next. I suggest that this program could well be expanded and money paid to farmers on their deferred grain sales should earn interest. There is a need, in the agricultural industry of Canada from coast to coast, for a type of vehicle through which individuals or corporations whose primary business is that of agriculture can be encouraged to save funds, avoid incurring an income tax liability of abnormal proportions in good years and defer those liabilities to bad years. The present system of taxation permits some relief to this end but does not go far enough. As well, it gives an inducement to save. At present, if the individual has a bad year he is allowed to back-average and thus obtain some relief. The problem with this is purely a matter of timing. By the time the individual has received the effect of the carry-back, he may well be through his next year.

We need a plan which would allow an individual to build up a cash reserve, through an individual, registered stabilization fund, which would allow him to have an even flow of cash income and taxable income over the years. The plan would be a self-administered, to be set up within existing government regulations, namely tax legislation, and would not require any red-tape commission to administer it. The government should allow an individual or corporation whose primary business is that of farming to acquire a deposit certificate at any chartered bank, credit union, trust company or treasury branch. The amount of the individual fund deposit should not be greater than 75 per cent of the gross sales of agricultural products, grain, cattle, etc., for the year in question.

The advantages of this type of self-administered program would be these. Producers would save dollars and increase the reserves in our banking system. Producers would spend dollars on a more systematic basis. The program would cause the feast or famine syndrome afflicting farmers to vanish. Finally, the program could be set up at no cost to the taxpayer. Such a program would help to smooth out the economic situation of farmers and the feast or famine situation of the entire Canadian economy, in which I include farm equipment manufacturing, and so on.

The strength of our grain exports is no illusion. These exports are a real and growing force in international relations. They must be used with skill to establish a healthy trading relationship between Canada and the rest of the world. Instead of continually dealing with symptoms, the government should put much more effort into this particular area of endeavour. I have put forward one proposal and the hon. member for Moose Jaw made two others. I hope the government will consider them seriously.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we have discussed stabilization a number of times in the House in the last five years, always with the hope that we could develop a system which would stabilize the income of farmers producing a certain commodity and allow them at least to regain their costs of production plus a reasonable return. Canadian farmers have watched with keen interest the machinations of federal and provincial governments with respect to stabilization. Last week the Minister of Agriculture (Mr. Whelan) said that the government had introduced stabilization legislation this year to cover specific commodities. He went on to say:

Stability for the producer will be reflected in stable production and stable prices for consumers. There are many ways, some major and some minor, to bring about this stability. One major advance was the recently passed amendments to the Agricultural Stabilization Act. Effective stabilization legislation encourages rational production decisions. A prairie grain market insurance plan will also help.

His statement is undated, but I think it is safe to assume he made it before the agriculture committee last Tuesday. The bill before us is not a grain marketing insurance plan.

It is complex and is not well understood by most. It will, at best, produce a levelling-off of losses that may flow from the cash flow position of farmers when there is a decrease in certain categories of the grain production industry in western Canada. This bill is difficult to understand. I pointed this out to my colleague who is very interested in the English language. He often refers to the fact that when I first came here I used long sentences.

● (1420)

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Peters: They began, went off at an angle and came back to the original thought. I thought they were in fact clauses which were at least related to the subject. I will read just one sentence from the bill in order to show the difficulty of the farmer. I trust this is not in conflict with the rules.

(4) For the purpose of determining the adjusted marketing to production ratio referred to in paragraph (1) (*b*) for a year under review, the minister shall

(*a*) make the following calculation in respect of each of wheat, oats, barley, rye, flax seed and rapeseed:

(i) divide the actual aggregate number of bushels of such grain produced in the designated area and sold by all producers in the year under review by the number of bushels per acre of such grain that is the average yield for such grain for the five years immediately preceding the year under review;

(ii) divide the difference obtained by subtracting

(A) the opening inventory, in bushels, of farm stocks of such grain for the year under review, determined as being the closing inventory, in bushels, of farm stocks of such grain for the year immediately preceding the year under review, determined in December of that immediately preceding year,

from

(B) the closing inventory, in bushels, of farm stocks of such grain determined in December of the year under review,

by the number of bushels per acre of such grain that is the average yield of such grain for the five years immediately preceding the year under review;

(iii) multiply the number of acres on which such grain is seeded in the designated area in the year under review by the difference obtained by subtracting

(A) the number of bushels per acre of such grain that is the average yield for such grain for the year under review

from

(B) the number of bushels per acre of such grain that is the average yield for such grain for the five years immediately preceding the year under review,

and divide the product so obtained in respect of such grain by the number of bushels per acre of such grain that is the average yield for such grain for the five years immediately preceding the year under review;

(*b*) add the eighteen quotients obtained pursuant to subparagraphs (*a*) (i), (ii) and (iii); and

(*c*) divide the sum obtained pursuant to paragraph (*b*) by the number of acres on which grain is seeded in the designated area in the year under review.

That is one sentence, Mr. Speaker, I would like the minister to explain it. Possibly Your Honour might like to interpret what it means. In any event, there will be some difficulty. That sentence is not going to help the average farmer in this country to use the average over the five years, and so on. The average farmer is interested in two things. He would like to ascertain how much production he should have, how much acreage he should sow, and whether he should go with one commodity or another. Second, he wants to know what the market price will be.

For him to be successful in meeting his commitment both to this nation and to the consumers of this nation, he has to produce enough to cover any disaster that may occur from year to year, something that is not covered under the umbrella of the Prairie Farm Rehabilitation Act of which we are disposing. He will have to take into consideration the weather, yield and protein quotient in his production. He must do this knowing that he will be able to pay for the production expenses that he incurs. Secondly, when he reaps his harvest he wants to be assured of a relatively stable market and a price that will pay for his production and provide him and his family with a decent standard of living. That is fairly simple.

We are not asking for very much. Agriculture is a very important part of our production and export market. As stated by other ministers, Canada must be committed to helping those parts of the world which do not have enough production to feed themselves. The Canadian grain market has an immense role to play, and this can only be done when there is stability. Anyone the least bit interested in food production is aware of the need to establish a market price that will pay for the cost of production. Second, we must meet the commitment that we make as a nation to export to those countries not able to produce the required amounts of protein.

Everyone agrees that we must have some stability. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) said that during the recession in 1961 it was western grain production that enabled Canada to get back on the road to recovery. By exporting large quantities of grain we were able to bring in hard cash. Hon. members will recall that many sales were made to countries not normally within our wheat trading bloc, such as Russia, and payments were made in gold. That currency was desperately needed at the time. It played a major role in our recovery in that recession.

There is likely to be little disagreement among farmers and Canadians in general that food production, cereal grains in particular, must play an important and ever-increasing role in Canadian agriculture. In order for that to be possible, we have to ensure that we will be able to sell our products at reasonable prices. It is my feeling that if we were to add the commodities which come under the Wheat Board to those which already come under the Agricultural Stabilization Act, and put the whole thing back under the control of the Minister of Agriculture as it used to be, we would find that the farmers in western Canada would receive a much more reasonable return for their money than they are likely to receive from the legislation before us today.

● (1430)

The reason the government has not acted along these lines is simple. Income stabilization plans have the potential of costing a lot of money, especially if we cannot ensure that production is related to sales prospects. The government might well be placed in a position of having to act as a buying agency at 80 per cent of the average price in the preceding five years. Mr. Speaker, it seems to me that this might not be a bad idea. I have for years been interest-

ed in the Biblical parable, or maybe it was a Biblical historical fact—my knowledge of the Bible is not that good but I remember the story—or I could certainly consult some of my hon. friends; we have them from all faiths, Baptists, Anglicans, Catholics—

Mr. Knowles (Winnipeg North Centre): And the originals and the aboriginals.

Mr. Peters: And the originals and the aboriginals, in the theological sense. But it would seem to me that the story of Egypt, where they prepared for ten bad years by collecting the harvest of ten good years, was not more applicable in Egypt than it is today in the modern world of 1975. We have been lucky in Canada, but they have not been so lucky in other parts of the world. There is a surplus in Canada of many cereal commodities and the price is such that many Canadians overeat, particularly in the field of cereals. At the same time, there are others across the world who are badly in need of the protein in our cereal products but who are unable to get it.

I see nothing wrong with the establishment by the Government of Canada of a granary which would provide for the needs both of this country and for our commitments to the rest of the world over a ten-year period. To accomplish this we would have to store grain, though not, as now, at the expense of the farmer. The farmer is already doing this to some extent. If he depended for storage on the Wheat Board and the grain commissioners, we would be disappointed; we would find that there is very little grain stored in the elevators. There is no grain held in the federally-controlled elevators at Moose Jaw and Lethbridge—they are trying to give away those facilities. Most of the grain presently in storage is held either on the farm or in private grain elevators. I presume there is less than a year's supply. Yet we have done nothing as a nation to provide a world food bank to demonstrate in a practical way our wish to help the hungry people of the world.

I suggest that if we were to substitute for the bill before us an agricultural stabilization bill, we would find, in paying 80 per cent of the five-year average, that we might in the foreseeable future be buying stocks of grain and building up a reserve sufficient to establish a barrier against disasters which might occur not only here but in countries abroad.

It seems to me that in any measures taken to stabilize agriculture we must keep in mind the moral commitment made by the Minister of Agriculture at the international food and agriculture organization. We are under a moral obligation to provide the facilities necessary to maintain basic supplies of commodities which we grow in great abundance. No one, it seems to me, disagrees with the idea of stabilizing farm income. If farm income is not stable, it is likely to be difficult to keep people on the farm.

Some hon. members on the other side seem to think the farmers of western Canada are very well off. Some of them think they all have planes and Cadillacs, or both. That really is not true. We have seen many economic disasters in western Canada, and laws have been passed to protect the farmers so that the mortgage holders do not walk off with the actual facilities for agricultural production. We have had our ups and downs. Weather conditions have been severe, and though they have not been so severe in the past few years in Canada, that is not the case as far as the rest of the world is concerned. So there is no argument that stabilization is necessary.

The bill which is now before us has been presented on a number of other occasions in slightly different forms. It has been called Bill C-74—

Mr. Mazankowski: The old number was C-71.

Mr. Peters: One simple proposition would be to refer this measure to the farmers and find out what they think of it. When the committee went to the farmers with this bill there was no support for it in any of the provinces affected. It is true that in some of the provinces there was not much objection, but that was because farmers really did not think it would make much difference one way or the other. I suggest that the formula being used is so complicated that farmers cannot reasonably be asked to decide whether they are in favour of the bill or not. It is for this reason farmers have been slow in making up their minds whether or not they want to participate in the scheme.

As the minister says, you can check into it or you can check out of it. There are some restrictions, of course, and there have to be otherwise big farmers would take advantage of the scheme by entering when the cost was not high and taking the benefit when the cost was high. It is very doubtful whether there will be widespread and continued support for the legislation. My recommendation is that the Minister of Transport (Mr. Lang), who is piloting the legislation through the House, should be prepared to discuss the matter with the farmers at the Outlook Conference being held in Ottawa next week. He should be prepared to make this a major topic. I have seen the agenda, and it is not on the agenda. If the Federation of Agriculture and representative of other farm organizations who will be attending the conference agree that should certain changes be made they are prepared to support these proposals, then I would not be opposed to the passage of the legislation. The last time the Federation of Agriculture discussed this question they put forward a couple of very important suggestions. These are as follows:

● (1440)

1. An assessment be made of the position of the sector by the Stabilization Board and discussed in depth with producer representatives for that sector. It should be required that part of this assessment be an examination of production costs in the industry. The development of the necessary statistics and information, and conceptual basis, for such an examination of cost of production should be subject producers.

2. Following producer consultation, the government be required to issue a statement of its plans and programs for the stabilization of the industry, both for the production period immediately ahead and in an intermediate term context. This announcement should include an assessment of the industry position and outlook, relating this assessment to the stabilization program and plan in terms of the adequacy of that program to ensure stability and a fair level of producer returns. In such a statement stabilization policy per se should be related to other policies and programs, federal and provincial. The stabilization program and plans should contain within it, provisions for necessary adjustments in the target level of returns in the program in response to increases in producer costs and the rates of inflation in the economy, during the production period.

These producer consultations on a commodity basis should be preceded by at least one intensive and comprehensive producer-government

examination of the state of the industry, involving provincial governments as well as producers, in which commodity inter-relationships could be examined and the industry situation discussed in relation to an over-all look at trade developments, the general state of the economy and any other relevant considerations.

Stabilization policy should, in short, be handled in such a way that first of all its central focus should be the income adequacy objective. Moreover the planning of stabilization policy should be integrated into an over-all process of improved industry organization and planning (whether such plans be detailed and regulatory, or broad and directional only).

What that says, Mr. Speaker, is that the farmers, the farm organizations, the provincial governments and the federal government should examine stabilization and develop realistic policies to determine how much of any given commodity should be produced, how the costs of the commodity are divided, and the regional difference in cost due to size of production, distance from market and so on, is split. We must then reassess the needs of the industry in terms of production quotas. Then, and only then, can we establish some long-term and short-term directives to deal with the immediate situation as well as the long term.

Anyone who knows anything at all about agriculture will know that during recent months much attention has been focused on the egg marketing legislation. Consumers and consumers' representatives have been making a lot of fuss about producers asking for too much for their eggs. The argument rages between whether his costs are short-term or he has to lengthen the period of time for which he sets his price, ignoring some of the temporary ups and downs so far as production costs are concerned.

Consumers' representatives have been saying that their costs should be reflected immediately in consumer prices. The producer argues that he is not able to do this on a short-term basis. We have all witnessed the fighting that has gone on between Mrs. Plumptre of the Food Prices Review Board and the Minister of Agriculture. She was questioning the increase of a cent a dozen the same week that the international market for feed grains was dropping. Actually, the price has now dropped and the price of feed grains is fluctuating from day to day, so it may well be that the board will not be able to equalize production costs over the short term.

There are both short-term and long-term objectives to be considered, but it seems to me that in order to eliminate this kind of fluctuation we should first of all keep a healthy, stable agricultural industry in place, we should provide the Canadian public with first-class agricultural commodities at reasonable prices, and we should begin to meet our commitments to those in the international community who are experiencing shortages of both protein and cereals. We have not faced up to our obligation in this regard, and we have not done so for the simple reason that we have not established the capacity to store Canadian grain for future sale.

Once more we have a surplus of powdered milk. At the same time there is a shortage of cheese, butter and fluid milk in Canada. As far as the dairy industry is concerned, the best way it can contribute to the international demand for food is by supplying milk powder, which can be easily transported, distributed without refrigeration and does not need special care. What is more, it does not cost countries less fortunate than we are very much to buy it. This surplus in powdered milk has caused the price of industrial milk to drop.

A few years ago the Minister of Transport introduced a program that paid the farmers to take land out of production. The LIFT program lifted agricultural land out of production because we said that we did not need it. After but one year the price of grain went from $1.75 for No. 1 Northern wheat to $5.95. This suggests to me that the statistics on which the minister has based this legislation are totally inadequate. The government is not setting the right criteria or being of much value in bringing about stability of supply of any given commodity.

● (1450)

We should establish, first of all, how much of our land in this country is suitable for agricultural production. Surely without much difficulty we can stabilize the two standards of land values being used in this country. In Ontario we start with number one land as the best for agricultural production, and as I understand it you could not possibly farm anything less than about number five land in western Canada. It seems they start out backwards to us, or perhaps the other way around. In any event, it seems very simple for the agricultural department to provide one set of standards to be used in Ontario and in all other parts of Canada. In that event, land valued as number five in Saskatchewan would be the same as land valued as number five in Ontario.

My understanding is that something less than one-seventh of the land in Canada is arable, and only about one-fifth is suitable for agricultural production. Perhaps we should have a new land survey in order to determine the exact amount of land in Canada that is suitable for agricultural purposes. The minister of agriculture in the days when ARDA was first brought in, now the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), suggested at the time that we should catalogue or assess the value of land in Canada.

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member for Scarborough East (Mr. O'Connell) rises on a point of order.

Mr. O'Connell: Mr. Speaker, I raise this point only to call the hon. member's attention to the fact he may unintentionally be misleading the House by his statement in respect of standardized land values. These lands are standardized all across the country under the Canada land inventory. I fully agree with the hon. member's main point, but I know he would not want to leave us with the impression that number one land in Ontario does not have the same standard as number one land out west. The standards are common to the whole country.

Mr. Peters: Mr. Speaker, the hon. member's point is well taken, but we had quite a discussion with some of the western members the other day about land values and some of them indicated that number five land in western Canada has a potential for agricultural production, but number five land in Ontario is rocky and will produce nothing but trees. I am told that the best land in western Canada is rated as number nine or number ten. In Ontario this is the reverse, and number one is the best land.

Mr. O'Connell: It is the same out west.

Mr. Peters: If that is the case, then some of the western farmers were confused.

Mr. Knowles (Winnipeg North Centre): Oh, no.

Mr. Peters: During that discussion I understood we were not talking about the same thing because of different designations. The only point I was making is that the federal government should standardize in respect of land values so that everyone will be talking about the same thing. The situation now confuses the general public as to what kind of land is available. The general public is confused as to the agricultural potential. We, as Canadians, have always said that we can double or triple our agricultural production by doing all sorts of things. I am not sure that we cannot, but I am not sure how far we can go.

Ontario has been referred to as a leader in the field of developing new crops and improving old ones. We in Ontario have been able to develop strains of cereal grains that require a growing season of only 80 days, compared to the old growing season in the range of 105 to 110 days. I understand that some grains require an even shorter growing season. We have done a very good job in developing new strains, which may result in doubling the amount of land suitable for agricultural production. I sometimes think that we in this country have to be convinced that we need a heathy agricultural industry. Once we have been convinced, we should then know how much the land will produce and how much subsidization this production requires. Agriculture in every country in the world is subsidized to some degree.

Our crops take a great deal out of the land and this has to be put back before additional crops can be produced. We only follow that procedure if the price of the crop is sufficient to provide a reasonable return, while covering the cost of fertilizers that put back the minerals and the other necessary things into the land. So far we are only doing this when the price is high. When the price is not high enough to cover the cost of production, these essential ingredients are not returned to the soil. Some lands in Canada are entirely dependent for production on the fertilizers and other things that are put back into them. It is fine for the Minister of Agriculture to travel to the World Food Agency in Rome, making the statement that we will give a certain value in agricultural commodities to the world. We can do this, but only if we know how much we can produce. It seems that we can only do this if prices are such that we can afford to continue putting back into the land what we take out. In this way we can make the maximum use of land available. Once we are able to do that we will be able to meet these commitments.

I disagree with the legislation before us because it contains the phrase "stabilization of income," and starts out by saying it will stabilize net proceeds from the production and sale of western grains, and then refers to certain amendments to statutes as a consequence. Most farmers do not believe this bill will meet net proceeds. This whole thing involves a very complicated production formula which cannot be applied, as this bill intends, to very large areas. Agricultural production in western Canada has historically shown that the net proceeds in one township can vary vastly from the net proceeds in the next township. This has been true in areas where there are such things as hail, grasshoppers and other natural disasters. Often one township is affected and the next one is not.

My colleague pointed out how ridiculous this proposal may be when related to a total drop in one large area. Let us say there was some difficulty in an area, perhaps not in the way of a natural disaster but—

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member, but his time has expired. He may only continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Peters: I would not want to take advantage of the generosity of hon. members in this way, Mr. Speaker, as I know I would not be given the extra time if I asked for it. I do not wish to abuse their courtesy. I would conclude by saying that the farmers and the provinces have not been consulted. The opportunity is available to the government on December 17 at the Outlook Conference to be held in Ottawa to explain this proposal. Representatives of the provinces will be together at that conference, as will farm representatives and representatives from all segments of the economy.

It seems to me that stabilization is not just a western problem, but a problem that affects all Canadians. This affects all our food sources and, more important, it affects the agricultural industry whether in the production of grain or something else.

● (1500)

It has been suggested by some persons recently that farmers should go into the production of pigs. I shudder every time I hear an official make a statement that we should move into something that we are not in now when there appears to be a shortage. That was the case in respect of the cow-calf situation. The producers could not obtain enough money from the calf to keep the cow for a year. There now is a suggestion that they should go into the production of pork.

Every housewife knows that the price of bacon and pork is increasing very rapidly. If producers went into the production of pork they would find themselves in a great deal of trouble. If they went into the production of pork today they would be victims of the fluctuations in the grain market, which are quite sizeable and regular. Anyone who went into this on the basis of the price of pork today, I think would find that as the number of pigs increases the market will not be there. The price normally is 50 per cent of the price of beef. I do not think anyone in this country who really looks at the situation would be stupid enough to believe that one could produce pork today at half the price of beef.

All segments are being affected by the stabilization in any one field. I would suggest to the Minister of Transport responsible for this bill that he not stand on his principle, but rather look at the economics of the proposition he is putting forward. I think he should ask for the advice of the farmers and should discuss this matter at the Outlook conference. Then perhaps we would come back in the next session and find that this bill would have a different number and be a different bill, under which it would be

easier to operate, and which would be easier to understand.

I would hope then we would have a bill which would go much further toward developing stability of the net income of producers and which would go some way in helping develop a national and international market for Canadians in respect of a product which I think can have increased production, and which would undoubtedly have a major impact on our economy.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there has been the usual consultation through the usual channels and at this time I would propose to move the adjournment of the debate in the hope that, after dealing with relatively non-contentious bills, we might be able to return to Bill C-41. Therefore I move, seconded by the hon. member for St. Boniface (Mr. Guay):

That the debate be now adjourned.

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, and debate adjourned.

Mr. Blais: Mr. Speaker, the order in which we propose to deal with the bills would be first Bill C-75, second Bill C-78, third Bill C-28, and fourth Bill-21.

The Acting Speaker (Mr. Turner (London East)): Is this agreed?

Some hon. Members: Agreed.

* * *

GOVERNMENT ANNUITIES IMPROVEMENT ACT

MEASURE TO INCREASE RATE OF RETURN ON GOVERNMENT ANNUITY CONTRACTS

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved that Bill C-75, an act to increase the rate of return on government annuity contracts, to increase their flexibility and to discontinue future sales thereof, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, be concurred in.

Motion agreed to.

Mr. Andras moved that the bill be read the third time and do pass.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I will not take very much time on this matter. As we all know this is a non-controversial bill but I think I should commend the government for bringing in this legislation. The government, of course, should be criticized for the length of time it took in awakening to the problems that have been encountered as a result of the low rate of interest.

I think this bill serves three purposes. It attempts to solve the problem related to the low rate of interest. Second, I think it adds flexibility in that the governor in council can either lower or raise the rate of return. I understand it does not move in terms of allowing the rate to be lower than that which was originally applicable. The third matter involves the discontinuance of sales because the government, in its wisdom believes that the sales of these annuities has served its purpose. The government believes that the annuities have been superseded by retirement plans in the private sector.

Dealing with the first point I am amazed that the rate of interest encompassed by the legislation is only 7 per cent when we are talking now of an inflationary rate of around 11 per cent. One can see that the purchasing power has been eroded by some 3 per cent or 4 per cent. I am not talking about indexing in this bill, but I am saying that the government should have appreciated the circumstances which exist in terms of hardship when we look at a 7 per cent rate in respect of this bill compared to the inflation rate of 11 per cent.

My second point concerns the discontinuance of sales. The act was first introduced in 1908. The House leader of the New Democratic Party says that the bill was born at the same time he was. I think that is a commendable situation. It shows how long that member has been in and around this House and that since birth he has been interested in pension schemes. He still is. In terms of reviewing his concern in this area may I say that the bill was brought in primarily to give people the idea that thrift is a necessity in our way of life and that they should put something away for their old age. If those principles are still applicable the government should accept that.

Perhaps these sales have to be discontinued because there has not been sufficient promotion and because the rate of return is simply disgraceful. I respectfully submit that the private sector has not in fact taken over the necessary pension schemes that workers should have in Canada. The latest statistics in this area, taken in 1970, indicate that almost 7 per cent of the people employed by private companies are not receiving coverage. Therefore I take a very dim view of the government indicating that we will now get rid of this annuity contract, which in effect is a pension scheme, because the private sector has taken it over in a satisfactory way.

● (1510)

These are the only comments I have. My colleague, the hon. member for Medicine Hat (Mr. Hargrave), will be our only speaker following me with respect to this matter. We appreciate the fact that the government has brought in this bill and we appreciate the thinking behind it, but at the same time we say the government should be chastised for taking so long to realize that such a step was required.

In its recent report the Canadian Council on Social Development criticized the attitude taken by the government in stating, that the private sector has taken over in this respect. It stated that the Canada Pension Plan and the Quebec pension plan have been downgraded so that the private sector could carry on, and it has reached the conclusion that there has been a dismal failure in that regard.

The Montreal *Gazette* of November 27 reported the following in an article:

The Canada and Quebec plans should be given the central role in the over-all pension system, it argues. They are popular, straightforward, universal, portable, secure, looked upon as faithful friends by many workers and have the "tremendous advantage" of being indexed upward with the cost of living.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, although the answers we received when we were in the standing committee on this bill did not completely satisfy us, the fact is that we did get our questions answered. I think it is appropriate for me to say that we had a very good discussion of this bill at that stage. Accordingly I do not think it is necessary for us to extend the debate at third reading. Indeed we are prepared to give our endorsation to the bill.

I would be less than human if I did not thank the hon. member who has preceded me for referring to the fact that the act itself was debated in the House of Commons on the very day that I was born. So I suppose my interest in matters relating to pensions can be identified as a lifelong interest.

It is true that we would like to have seen improvements of even a better one, particularly with respect to a greater rate of interest, and there are one or two other things that might have been done, but on the whole we think it is a good bill. I may say that the amendments that were made in the committee at the instigation of the government also improved the bill.

My only other comment is in the same area in which comments were made by the hon. member for Hamilton West (Mr. Alexander), namely, with respect to the old age security picture as a whole. I think it is timely that the Canadian Council on Social Development produced its voluminous report a short while ago on the state of retirement pensions in this country, and I think it is particularly relevant that in that report emphasis is placed on the need to extend the role of the Canada Pension Plan in the retirement security of our people.

I had to say in the committee that I did not agree with the statement made in the name of the minister that private pension plans have taken over the role of extra security for our people. The fact that so few contracts under the government annuity system are now being purchased is due, I think, more to the fact that we have the Old Age Security Act, and the Canada Pension Plan now, which of course had not even been thought of when this legislation was introduced back in 1908.

But the report to which both the previous speaker and I have referred is, in my view, dead on when it urges a review of our whole retirement policy, and particularly in its urging that the Canada Pension Plan be enlarged so that adequate security will really be available to all our people, not just to those who can purchase supplemental benefits, whether from government or private sources. This is a measure of the progress that we made in these 67 years. All that parliament could do 67 years ago was to provide, under government auspices, a means whereby those who could afford it could do something about their old age. We have moved from that to the point where we realize that it is our social responsibility to see that something is done under the aegis of the government for the adequate retirement and adequate security of all our older people.

One thing I do not like happening is to see something taken away before something else has been put in its place. The something else that should be in place of this plan is a greatly enlarged Canada Pension Plan which provides much more than the 25 per cent pension that it now provides.

I hope that this action, together with a study of the volume produced by the Canadian Council on Social Development, will lead to early legislation along the lines suggested in that document. For the moment, however, we are prepared to give our support to the passing of this bill.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I would like to make a very brief comment on the government annuity bill, C-75, at its third reading. As the two members who have preceded me indicated, I feel it is a very worthwhile bill. My particular interest stems from the fact that I happen to be one of those contract holders, and have been for quite a number of years, although not nearly as far back as the first speaker, and I have a personal interest which provokes these remarks.

I am particularly concerned with the retroactive date of April, 1975, and I would like to suggest that the government has in fact admitted the inadequacy of its annuity policy by the very fact of bringing in this bill to which we are now giving third reading. I am critical only of the retroactive date, and I suggest that surely it could have been at least one year earlier, and I say this very sincerely. I raised this point in committee, and the chairman of the committee in response to my question stated that the only reason they did not make it go back to an earlier date was the cost, which would amount to $38 million for the year.

I suggest that when these contracts were taken out in the earlier days—in my case it was around 1940—they were considered a very good, solid, long-term investment. There was no high powered sales job done at that time to encourage people to buy government investments. They were considered a really good investment. Over the last few years I have received, as I am sure other members have, many complaints from constituents about the low rate of return on these contracts. I can appreciate the need to phase out this policy, but I think the government might have been a little more considerate of the people who bought a contract and supported the government in their own way, and who now have such a low rate of return.

● (1520)

I wanted to put those views on the record, but in spite of that I certainly support this type of legislation.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The minister is seeking the floor at this time, and this being a third reading motion he can only speak with the unanimous consent of the House because of the fact that he has moved the motion. Does the minister have the consent of the House to seek the floor at this time?

Some hon. Members: Agreed.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not want to prolong the debate, but I do want to express my appreciation to hon.

members on all sides of the House for the co-operation they have offered and displayed in getting this important and rather happy piece of legislation through so expeditiously.

I particularly want to thank my parliamentary secretary for appearing for me before the standing committee, and I was glad to hear from the hon. member for Winnipeg North Centre (Mr. Knowles) that the answers to the questions, if not totally satisfactory, were sincerely and forthrightly given. Again I wish to thank the House for its co-operation in this matter.

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

* * *

HALIFAX RELIEF COMMISSION ACT

MEASURE TO REPEAL ACT AND TO AUTHORIZE CONTINUATION OF PENSIONS PAID BY COMMISSION

Hon. C. M. Drury (for the Minister of Finance) moved that Bill C-78, to repeal an act respecting the Halifax Relief Commission and to authorize the continuation of pensions, grants or allowances paid by the Halifax Relief Commission, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, it may seem strange to most hon. members that before this parliament winds up its normal course in a couple of years time, the great explosion which shook the city of Halifax will at that time have been 60 years in our past. At that time, with the present rate mortality among those receiving help under the Halifax Relief Commission, it is likely that there will still be some four dozen people benefiting from the activities of the commission.

I do not propose to detain the House long with my contribution. It represents the distillation of consultation between the Leader of the Opposition (Mr. Stanfield), who is the hon. member for Halifax, and myself, on the few points we would like to make, and I think these are points which can usefully be answered in committee.

Four of these points actually come to my mind. The first is that under the new set up one should be alert to ensure that the pensions provide are adequate. Our understanding is that they are really based on the same circumstances as if these people had been injured in the front lines of the first world war, but whatever the formula it should certainly provide quick and adequate remedies for those who receive the pensions.

The second point is that upon this change being made there should be a review of the scale of pensions being offered.

The third point is that the machinery, which is going from a set-up where pensioners can march down the street, as it were, and deal with people they have known for a long period of time, and which no doubt will be replaced by something else, should be equally as humane and equally as accessible.

The fourth point is really an extension of the third, and that is that the minister should set up some special telephone number or location to which the pensioners could write with their problems. I say this because the Canadian Pension Commission is probably too large a concept for these pensioners to deal with if they are trying to chase someone in the Halifax telephone book in that large section which deals with the Government of Canada. In other words, there should be some instantly accessible source to which these people can turn with their requests for the help the Halifax Relief Commission has afforded to them over the years.

Finally, when dealing with this issue it is always customary for public figures to ask what happens if there is any money left over when all the claims have been met and the last claimant has passed on. I note that the bill provides that if anything should be left over, it should go toward municipal works or municipal action in that part of Halifax which was devastated by the explosion. I have no quarrel with that concept, but I think there are too many people in Canada who have lost sight of the fact that if it had not been for the very generous contributions which came from Boston, Massachusetts, and other parts of New England, but particularly Boston—what we in the Maritimes call the Boston states—the Halifax Relief Commission would not have prospered so well over the years. The generosity of Americans to the city of Halifax in its greatest hour of need is something I personally will never forget, and I hope others will never forget either.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Halifax-East Hants (Mr. McCleave), I believe this bill can be dealt with quickly at this stage, and I am sure it will have the support of the House. Even so, there are one or two things I should like to say, and there is one particular question I wish to pose in the hope that it can be answered at some stage. As a matter of fact if it were possible to receive the answer to the question I have in mind here on the floor, I would not object if an attempt were made to take the bill into committee of the whole house.

However, the officials who were in the gallery have disappeared, so I suppose getting an answer to my question may not—

Some hon. Members: Oh, oh!

An hon. Member: Where is everybody?

Mr. Knowles (Winnipeg North Centre): I hope I am not interrupting an important conversation.

Mr. Hees: We are trying to find a minister.

Mr. Fairweather: We are trying to help.

Mr. Knowles (Winnipeg North Centre): I thank my hon. friends who are trying to get attention to what I am saying.

Before I get to my specific question I wish to emphasize, as the previous speaker has done, that although the Halifax explosion of December 6, 1917, took place a long time ago, there are still 50 or 60 persons who are drawing pensions or assistance of one kind or another. I believe the total number of persons killed in the explosion was in the

order of 1,800 and during the years some 1,250 persons have been on pensions of one kind or another.

The problem which still obtains for survivors I think is well set out in a letter which I have before me, from a correspondent of mine who was four years old when the explosion took place. That would make him about one year older than the Leader of the Opposition (Mr. Stanfield). Although I was nine years old at the time, I remember hearing about the explosion, even away out on the west coast where we were living. I have this letter from this man who is now 62 years old and has been blind for the 58 years since the explosion took place. He says in part:

● (1530)

In discussing the events of the Halifax explosion most people find it incredible that so much suffering did occur in many of the north end Halifax families. In my immediate family my grandfather and his oldest son were killed, my grandmother lost her sight, one daughter lost her hearing plus the sight of one eye, another daughter lost a foot and the youngest son lost his sight. In my family I lost my sight and forty-six of my father's relatives, brothers, sisters, aunts and uncles, were killed.

Later in the letter he says:

Most people regard the Halifax explosion as ancient history but to me it is still very real.

The difficulty of this correspondent is that although he has been paid a pension from that fund for many years, the pension has not been increased to keep pace with the rising cost of living or the rising standard of living. It is his concern today that he should be granted a pension similar to what would have been granted, as the hon. member for Halifax-East Hants suggested, if he had been a person hurt in the front line of war. That has been the theory and rationale behind the fund, but many survivors feel that it has not been carried out. I hope that the transfer of these funds and responsibilities from the Halifax Relief Commission to the Canadian Pension Commission will not result in the books being closed.

That brings me to some particular questions I should like to hear answered in specific terms. Bill C-78 provides for the money in the fund to be turned over to the federal Minister of Finance (Mr. Macdonald), and for the administration of the fund to be undertaken by the Canadian Pension Commission, which also deals with the disability pensions of those who served in war. The language of the preamble includes the following words:

. . . and the Canadian Pension Commission to continue the payment of pensions, grants or allowances to those who suffered as a result of the explosion; . . .

Clause 3(2) of the bill empowers the Canadian Pension Commission to:

pay a pension, a grant or an allowance to any person who the Canadian Pension Commission determines is eligible to receive a pension, a grant or an allowance in respect of death or injury sustained in the explosion at Halifax in 1917.

What I wish to know is this: does that authority merely mean that the Canadian Pension Commission can continue to pay what has already been authorized, or will the commission be given these two other elements of authority? Will it be able to escalate pensions now being received and increase those payments where they have fallen far behind the rise in the cost of living? Second, will the Canadian Pension Commission have authority to pay a new pension or new pensions? Even after all these years, one or more of the survivors might demonstrate that there should be such a provision.

In addition, we must consider what happens to the survivors of the survivors. In the meantime, these people have married, raised families, and so on. Are they to be regarded as though they were in the front line at the time of the Halifax explosion in 1917? Will they be given that sort of treatment?

The idea of winding up the commission seems sensible. I notice that there is provision for the pensions of those who have worked on this commission. Also the idea of turning the administration over to the Canadian Pension Commission makes sense. Actually, I have received representations asking this to be done. But I want to know if the Canadian Pension Commission will simply be a bookkeeping office that carries on what has already been set out, or will it be authorized to make increases, or even, if this is called for, to provide for new pension payments.

The other point I make in passing is one to which the hon. member for Halifax-East Hants referred. What will be done with the money when the need for it ends? It seems reasonable to propose that it should then be turned back to an appropriate authority in Halifax, for the continued rehabilitation of the area of the city damaged in the 1917 Halifax explosion. As I say, I was a boy of nine at the time. I mention this, so that hon. members will not think that I am older than I really am. My family had come from Nova Scotia, but we were away on the west coast when this tragedy took place, and we were concerned.

I think it is appropriate that, many years later, we should spend this afternoon in the House of Commons recalling the suffering of those affected by the explosion and recalling, as the previous speaker did, the contributions which came in from all over Canada, New England and the United Kingdom, to help the people of Halifax in their time of need.

We support this bill gladly; if I could get an assurance that my questions will be answered I would not mind if the House went into committee of the whole to deal with the bill. But if we must send the bill to a standing committee, to get answers to questions the previous speaker and I have raised, then of course, we shall agree to that being done.

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I thank the hon. member for Halifax-East Hants (Mr. McCleave) and the hon. member for Winnipeg North Centre (Mr. Knowles) for participating in the debate and approving the intent of the bill. I share their concern for those people who have suffered these many years. As indicated earlier, some 65 people are still receiving compensation. That number, although not large, has received help from the relief fund. Over the years, hundreds have been helped. Numbers alone do not indicate the extent of the suffering of those directly involved, and of their families, for many years.

I share the concern expressed both by the hon. member for Halifax-East Hants and the hon. member for Winnipeg North Centre over the matter of pensions. Both hon. members were absolutely right in saying that there is to be a

transfer of money and responsibility to the Minister of Finance and the Canadian Pension Commission. But nowhere in the bill do I find language suggesting the possibility of escalation or new payments. The hon. member for Winnipeg North Centre was particularly concerned about that point, although the hon. member for Halifax-East Hants would also like to see the matter of pensions reviewed. I am wondering if this bill would permit such a review, or the inclusion of new people who are still suffering and are seeking some consideration. From my reading of the bill I am not aware of such possibilities. However, this point can best be raised in committee.

At present I cannot satisfactorily answer questions hon. members asked. I think we can address ourselves to those particular points once the bill is in committee. I therefore ask hon. members to give this bill second reading and send it to committee, where points of concern to hon. members can be resolved.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

● (1540)

ANIMAL CONTAGIOUS DISEASES ACT

AMENDMENT TO EXTEND THE APPLICATION OF THE ACT

Hon. C. M. Drury (for the Minister of Agriculture) moved that Bill C-28, to amend the Animal Contagious Diseases Act, as reported (with amendments) from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

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

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I would like to address a few comments to the House at this time on third reading of this bill to amend the Animal Contagious Diseases Act. I wish to say at the outset that I do so on behalf of the hon. member for Grey-Simcoe (Mr. Mitges), who is unable to be here today. I mention that because of the very excellent background work the hon. member performed which helped all members of the Standing Committee on Agriculture when they were considering this bill. Because of his background as a veterinarian I think it is appropriate that I mention the work which he did on this particular bill.

We on this side, as I am sure do most members of the House, support the bill. The only critical comment I can make is that it took the government so long to bring it to this final stage. First reading took place on October 21, 1974, well over a year ago. It is perhaps appropriate to note that this is fairly typical of the low priority given to new agricultural legislation. Perhaps we fail to appreciate the genuine importance and value of agriculture in Canada today.

The members of the standing committee certainly appreciated the work done by, and the co-operation received from the various branches of the Department of Agriculture. I mention in particular the Health of Animals Branch. This bill amends an act which is over 100 years old. By the very nature of the Contagious Diseases Act, the Health of Animals Branch must be very closely involved.

I speak with some knowledge of various cattlemen's associations across Canada. They too had the co-operation of the Health of Animals Branch with regard to the many representations they made to the department on this bill. I am sure the same applies to other branches of the Department of Agriculture.

I wish to refer to the concern of cattlemen with regard to the shipment of calves from western Canada to Ontario and points east of Montreal. After many years, this legislation will now make it legal to ship calves a little faster from western Canada by way of Winnipeg and Toronto to their final destinations, mostly in Ontario. For many years there has been an obstruction in getting calves shipped here quicker and, consequently, getting them here in a healthier condition.

At one time trainloads of cattle had to be stopped every 36 hours for a feed and rest period. Through mutual understanding, and I stress that as it involves the co-operation of the humane societies, it is now recognized that if calves can travel faster and without unnecessary stops, they can go for periods of 42 to 58 hours, and perhaps longer. The theory is that the quicker they get to their final destination, even when longer hauls are required, the better the health of the cattle will be. This legislation makes this possible. It takes the authority for those regulations out of the Department of Justice and gives it to the Department of Agriculture where it belongs.

This bill will update considerably the amount of compensation for animals that fall down on the brucellosis test. This is a very timely topic. We have heard a lot in this House and across the country about brucellosis over the past two or three years, particularly the past six months. Questions asked in the House clearly indicate there have been some problems with brucellosis.

It was reassuring to hear from the representatives of the Health of Animals Branch who appeared before the committee that progress is indeed being made. I believe more progress will be made, and possibly there will be a complete eradication of brucellosis. As this bill provides higher compensation to cattle producers, hopefully there will be better co-operation. After all, when the compensation is not very high there is a tendency not to advise the proper authorities that there may be brucellosis in the herd. Therefore this is a very forward step.

I hope this spirit of co-operation between the Minister of Agriculture (Mr. Whelan) and the various branches of his department will continue when the regulations are being drawn up. They will of course be very detailed and involved. I am sure that many agricultural commodity groups will want the opportunity to take part in a continuing discussion when the regulations are being drawn up.

With those few comments, Mr. Speaker, I wish to advise that we in the official opposition clearly support this bill.

● (1550)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, it is unfortunate that there is not much time to discuss the bill before us because I think it is a very important one.

Canadians should be very proud of what we have been able to do in the one hundred years this legislation has been in existence in terms of eradicating animal diseases from the Canadian scene. I suppose it is possible to say that if Dr. Ken Wells, Veterinary Surgeon-General, had been in charge of medicine in this country over the last number of years we would have eradicated many diseases rather than having just found methods of treating them. I presume some of our major diseases would by now have come under test procedures which would enable us to discover and eliminate diseases early. I do not know whether he would have been able to arrive at suitable compensation if his work involved human beings in the same way he has been able to do it with animals. But he certainly has been successful, Mr. Speaker, and maybe we should be looking at that method of getting rid of some of the—

Mr. Hamilton (Qu'Appelle-Moose Mountain): You realize what he is saying, don't you?

Mr. Peters: I am aware of what is being said. I just think that we have been able to solve the problems of animals one hell of a lot better than we have with people, and it may be that it involves selective eradication rather than some of the treatment we have had.

Mr. Knowles (Winnipeg North Centre): I know some politicians who are worth more dead than alive.

Mr. Peters: Mr. Speaker, much of this bill is involved with compensation, and I suppose that if we were looking at eradication in any field that would be a factor. But I approve the suggestions which have been made and the major decision which has been made with regard to brucellosis, bearing in mind that vaccination has the unfortunate side effect of creating carriers and the knowledge that under vaccination the eradication of brucellosis will not be entirely possible. Eradication will hopefully allow us to establish completely free zones in Canada which will enable us to continue the same degree of export as has been possible over the years simply because of our control of the disease. We have controlled brucellosis, tuberculosis, and many other diseases in this way and I am pleased to see the department has now taken a look at some of the other factors which have developed involving the health of animals.

One of the major problems affecting animals has been that of safe and humane transportation. Stories have appeared in the newspapers over the last few years of cattle arriving at destinations in a very unsatisfactory condition; quite often a number had died. This matter, I believe, is to be looked after by suitable controls which are to be established.

Two other segments have been added which will put the Veterinary Surgeon-General in a position of looking after the health of human beings as well. You know, with the very poor rates of benefit being paid to some senior citizens some have felt the need to conserve their money to the extent that they have been eating food designated for animal pets, and there have been abuses of the regulations which have been in force over the years in that field. Now new regulations will be made to control that situation, not only for pets but for others who may find it more advantageous to buy pet food for human consumption than to do without entirely. The controls we are putting into the animal food compartment raise many problems that are related to this bill, but the initiative being shown by the veterinary staff in their willingness to supervise animal plant food, is to be commended.

The controls which have been extended to the rendering plants also is in the same field, since it affects human beings. There have been cases where food designated for pet food factories and rendering plants has been made into other products such as fertilizer, meal, etc. Those are now being controlled by the department and it seems to me this may eliminate, in provinces where there is no provincial control, the danger of some of the meat finding its way into human consumption. The Veterinary Surgeon-General may find himself the largest supervisor in the Olympics when he looks after the hamburger and hot dog fields. Any control which assures to Canadians that meat designated for disposal otherwise than for human consumption stays exactly in that field, which has not been the case in the past few years, is most welcome.

I concede therefore by repeating that this is a very worth-while bill. I would like to congratulate the veterinary service on the work they have done in controlling animal diseases in Canada. We have an enviable reputation, and extending their supervision into those fields where abuses have taken place in the past is worthy of support, and we certainly like to give praise where it is due.

The veterinary staff has been very competent in doing a good job on behalf of Canadians and by giving them this bill, and the increases that are made in compensation, we may ensure that progress wherever possible can be made in the control of contagious diseases. This is a field into which they themselves did not want to get, but no other national agency is controlling the rendering and pet food industry. Control will certainly be welcome there also.

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

* * *

BUSINESS OF THE HOUSE

Mr. Hamilton (Qu'Appelle-Moose Mountain): I wonder whether the House would give unanimous consent to the consideration at this point of Bill C-21? I believe we could handle it in three or four minutes.

Mr. Deputy Speaker: Is it agreed that we do not see the clock and proceed immediately to the consideration of Bill C-21?

Some hon. Members: Agreed.

* * *

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

AMENDMENT TO PERMIT FIXING OF INITIAL PRICE FOR PRODUCTS

Hon. C. M. Drury (for the Minister of Agriculture) moved that Bill C-21, to amend the Agricultural Products Co-Operative Marketing Act, as reported (without amendment) from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

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

Some hon. Members: Now.

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

● (1600)

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I can comply with the stipulation of the hon. member in regard to the three or four minutes, but I do want to raise one matter concerning the bill.

During the committee hearings on the bill we asked the Minister of Agriculture (Mr. Whelan) for assurances that any product that might be marketed under this act with the benefit of guaranteed loans from the government of Canada should have a price established on the basis that any provincial subsidies that might be paid by the province on the commodity in question would be deducted. The purpose, of course, was that if a producer received a loan guaranteed under the act and at the same time obtained assistance from the province in which the product was grown, it would put the producer and the co-operative associated with the producer and his product at a very distinct advantage in relation to other producers who might not get assistance for their product.

The minister gave us a clear assurance that in such cases if there were provincial assistance for the commodity in question there would be a deduction—to cite a prime example, if subsidies were paid on fertilizer. In the absence of the Minister of Agriculture would the cabinet minister now responsible be prepared to confirm the statement of the Minister of Agriculture as government policy, and will he give the assurance that the act will be administered in this way, either as announced policy or by regulation, or by whatever means necessary? Since there is only one minister on the front bench, I guess I will have to ask him for that assurance.

Mr. Guay (St. Boniface): I am not on the front bench.

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

Mr. McCain: I did, of course, mean the very front bench, if I may reassure the hon. member for St. Boniface (Mr. Guay).

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Unfortunately, Mr. Speaker—

Mr. Nystrom: Are you on the front bench?

Mr. Blais: Unfortunately not, Mr. Speaker. The best reply that I can give the hon. member is that we will bring his representations to the attention of the Minister of Agriculture. We cannot answer his point now. Unfortunately this is the position in which we find ourselves at the moment.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think it would satisfy the hon. member for Carleton-Charlotte (Mr. McCain) if one member of the committee stood up and stated that he had heard the minister make that statement in committee. That would be on the record, and I think it is the type of assurance that the hon. member for Carleton-Charlotte would find acceptable.

Mr. Douglas (Bruce-Grey): Mr. Speaker, I want to put on the record that the minister, in answering the hon. member's question in committee, did say that this would certainly be taken into consideration and that such a move would be made.

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

Some hon. Members: Question.

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

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

Mr. Reid: Mr. Speaker, on a point of order, I had been scheduled to proceed with a bill standing in my name under public bills, but I wonder whether there is consent in the House to deal instead with private members' private bills. If so, I would then deal with S-30, an act to incorporate Continental Bank of Canada, standing in my name as well.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I do not want to be difficult but I did have a discussion with the hon. member, and as I recollect it our discussions certainly did not deal with the Continental Bank. We talked about another matter. Perhaps the hon. member could clarify this and I can consent. I did give him certain undertakings, but not with respect to the Continental Bank.

Mr. Reid: That is correct, Mr. Speaker. The proposal I spoke to the hon. member about was the IAC bank. IAC is converting itself into the Continental Bank, and the title of the bill to which I referred is "An act to incorporate Continental Bank of Canada".

Mr. Baker (Grenville-Carleton): Then that satisfies me. I just wanted to make sure.

Mr. Deputy Speaker: Hon. members have heard the suggestion of the hon. member for Kenora-Rainy River (Mr. Reid) that instead of proceeding with public bills, specifically a bill under his name, Bill C-204, the House by unanimous consent proceed to consideration of a private bill appearing in his name, S-30, an act to incorporate the Continental Bank of Canada. Is that agreed?

Some hon. Members: Agreed.

PRIVATE BILLS

[*English*]

CONTINENTAL BANK OF CANADA

Mr. John M. Reid (Kenora-Rainy River) moved that Bill S-30, to incorporate the Continental Bank of Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, first of all I want to thank the House for allowing me to proceed with this bill this afternoon; it is a courtesy I appreciate very much.

The bill before us is a complicated one, one that I believe the House and its committee will want to look at very closely. In fact as sponsor of the bill I would advise members of that committee to examine it under a very powerful microscope. The reason is that the bill takes an already existing financial institution incorporated under the various provincial laws and incorporates it into a bank, a somewhat different institution.

To my knowledge this is the first time that a retail sales finance company has attempted to convert itself into a bank. Indeed, to my knowledge, it is the first time that any other financial institution has attempted to convert itself into a bank. Consequently, because we are taking an existing business and converting it into something else, the bill provides for a series of transitional periods and alters a number of very important aspects of the Bank Act in order to transform an existing business into something else.

I do not want to describe to the House all of the exceptions that are contained in the bill, but I do want to give some brief history of the company and to indicate what are some of the changes proposed in the bill in order to convert the IAC into a chartered bank.

First of all I think it important to indicate that IAC is a Canadian institution. At one time, when it first originated, it was an American institution, but 50 years ago the American owners pulled out and a group of Canadians took it over. Under their leadership the company has prospered. At the present time some 12,000 Canadians own 96 per cent of the common shares of the company, amounting to approximately 13.5 million shares.

The business of the company is extensive. Some 65 percent is in business financing, 16 per cent in sales financing, 10 per cent in consumer loans, and 9 per cent in residential mortgages. I think it important to recognize that a substantial portion of IAC's present business is in areas covered by chartered banks at the present time. In point of fact 70 per cent of the assets of IAC result from activities which are normally considered to be the preserve of the chartered banks in Canada.

It is also important to realize that IAC is a financial institution of substantial size. According to the figures I have here IAC with assets of $2,139.5 million ranks 11th in size among Canadian financial institutions, with an equity base of $203.6 million. When one is looking at institutions that are larger one finds names such as the Royal Bank of Canada, the Canadian Imperial Bank of Commerce, the Bank of Montreal, the Bank of Nova Scotia, the Toronto-Dominion Bank,Banque Canadienne Nationale, the Royal Trust Company, Banque Provinciale du Canada, the Huron and Erie Mortgage Corporation, and the Canada Permanent Mortgage Corporation, then followed by IAC, with the 12th on the list being General Motors Acceptance Corporation of Canada, Limited, which has its indebtedness guaranteed by U.S. parent corporations.

● (1610)

When we are dealing with IAC we are dealing with an organization that is indeed of some considerable size. It is quite clear that if the bank does obtain its charter it will have a substantial chance of being able to provide services across the country. IAC carries on business now at 270 locations in all ten provinces and the Yukon. It employs 2,800 people at those locations, and has four divisional headquarters at Halifax, Montreal, Toronto, and Vancouver.

There are a number of changes or exceptions to the Bank Act which are being proposed under this bill. I think it only fair to indicate to the House what some of those exceptions are; exceptions which I am sure the House will want to examine. For example, Section 7(3) allows a period of two years for full compliance with Section 18 of the Bank Act prescribing qualifications of directors. The Bank Act prohibits directors of banks, deposit-taking institutions and similar financial organizations from being directors of another bank. Ten out of the 19 directors of IAC fall into this category. For sound practical and financial reasons, IAC has requested this two-year period to permit the orderly phasing out of these ten directors. This is a question I think the committee will want to investigate quite carefully.

Another section the committee may want to look at is Section 15(4), which permits a four-year period within which shareholders holding more than the 10 per cent maximum permitted by the Bank Act would be allowed to continue to hold and vote their shares. At the present time there is only one shareholder who fits into this category, but again this is something that members may want to look at; that is, a means of easing the financial difficulties of transferring substantial numbers of shares from one shareholder to others.

There are also other questions I think the committee will want to look at, particularly Section 18(11) which deals with the relationship between the Continental Bank and IAC Limited during the transitional period. Both institutions would be in existence during this transitional period while Continental is being built up by the infusion of assets from IAC, and IAC in turn is being run down.

I do not want to take more time going into the details of the bill except to indicate to hon. members in all fairness that it is most complex, dealing with a very complex subject. The details of the bill have been worked out by the company and by officials of the government, particularly those responsible for administering the Bank Act and for supervising the activities of banks.

I want to say one of the things that interests me about this project is the fact that it is complicated and that it will provide an opportunity for the House of Commons to look at the difficulties and the potential of banking financial institutions in Canada moving from one agency into another. This will allow the House of Commons to deal with this question of setting its own guidelines on the form it would like to see for such conversions in the future, if indeed the House makes that decision. I hope the committee will be able to give careful consideration to this proposal. It is a worth-while proposal, one which I commend to the House and the committee. I hope it will result in the development by the House of a policy to deal with situations like this in future.

Mr. Deputy Speaker: The hon. member for Yorkton-Melville (Mr. Nystrom).

Mr. Paproski: You sure did well yesterday in Vancouver. Tell us about British Columbia, Lorne.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to hear the hon. member for Edmonton Centre (Mr. Paproski) get up and tell us all about his new Social Credit membership card and his new party alliance. I would remind him that the Social Credit party will be holding a national leadership convention very soon and I am sure he would make an acceptable candidate for that job. In fact he would go over very well. He would fit right into the mainstream of that new, grand alliance in the province of British Columbia.

I would like to say a word or two about the bill before us today.

An hon. Member: Get back to the heady, high financial aspects.

Mr. Nystrom: The idea occurred to me last night when I heard the results coming in about the new alliance in British Columbia that perhaps the day had come when the Liberal and Conservative parties in the House should move to make the hon. member for Témiscamingue (Mr. Caouette) the Prime Minister, formalizing the alliance federally as well as in the province of British Columbia.

The bill before us today is one that once again deals with banking. Let me comment at the outset that there are a lot of questions to be answered here that none of us can answer. As the parliamentary secretary has said, this is a new endeavour which is going in a new direction. This step will make the Industrial Acceptance Corporation, with assets of $2.1 billion, as referred to by the parliamentary secretary, the new Continental Bank.

I do not see the need for any more privately owned banks in this country, and I hesitate to change the rules of banking until we have had a chance to study the changes during the decennial review of the Bank Act in 1977. For reasons of that kind I do not really think we should be in a

hurry to get this bill through the House. I realize this bill is going to raise a lot of questions and, therefore, I have no opposition to referring it to the standing committee. I look forward to discussing the bill in the committee with the parliamentary secretary and other members. Hopefully we can learn a lot from that study and make some decisions that will help us in reviewing the Bank Act in 1977.

As I said yesterday, or the day before in the House, I would like to take a whole new look at financial institutions in terms of making them publicly owned institutions. To me the banks and financial institutions have a tremendous say in what happens in this country. They have an awful lot of economic clout. They work in many cases hand in hand with multi-national corporations, and they have objectives and priorities that are based along the same lines as those of large corporations. They are profit and corporate motivated, and I think that is wrong.

I would like to see a big bank in this country owned by all the people of Canada, operated as a public utility or a publicly owned institution. That is the direction I think we should be going. Therefore I do not feel any need to co-operate in the formation of a new bank.

I do not want at this time to hold up the bill. I should like to see it get to the committee in order that we might have a chance to ask a lot of questions, and a chance to offer some amendments. In this way we might have a real chance to find out the purpose of the Industrial Acceptance Corporation in wanting to make this move. There are a lot of questions to which I want answers. I want to know who the primary stockholders are; who owns the corporation, and who sits on the board of directors. I want to know what positions they hold with other banks and other financial institutions. In addition, I want to know who they have in the Senate; are there any senators who sit on the board of directors of this company?

Once again I note that this is a bill which originates in the other place. I have said in the House before, as the hon. member for Winnipeg North Centre (Mr. Knowles) has said on many occasions, I do not see the need for the existence of the other place, and to me it is a slight to see a bill originating in or introduced by the other place. That is not a democratic institution, but one that we think should not exist. It is a place I think has many conflicts of interest, particularly when it comes to a financial bill or a bank bill. Many of those people sitting in the other place are sitting or have sat on the boards of directors of many financial institutions or banks, dealing with bills concerning banking. To me that is a gross conflict of interest. I think this House should deal with all bills that come before us in a public sense, particularly those that deal with banks and financial institutions.

As I say, I do not want to hold the bill up. I am looking forward to dealing with it in the committee, if it goes to the committee, as I look forward to dealing with similar bills involving banking and financial institutions that come before this House in the years ahead.

● (1620)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I rise to say that it seems to be the view of the House that this bill should be sent to the committee.

I agree there are certain clauses of the bill which require careful scrutiny by the Committee. I also agree there should not be provisions in the bill if, as, and when it finally passes which I expect it will, which amount to exceptions to the Bank Act other than exceptions of a transitional nature demanded by the particular situation. I would agree that changes of a permanent nature in respect of the Bank Act should be made in the course of a review of that act.

Generally I favour incorporation of an additional bank. I would have to disagree with my hon. friend in the New Democratic Party who just spoke. I think the more competition there is in the banking business of this country the better. I think there should be more sources of financial credit available to Canadian individuals and Canadian businesses, large and small. The hon. member also indicated a desire that Canadian banks be publicly owned. I do not want to provoke an argument at this stage on Friday afternoon but I suggest to him that times have passed him by, that he has been by-passed by developments in advanced theory.

I think it is now pretty well agreed in most countries that ownership does not give control. I do not wish to push the argument too far, but I would ask the hon. gentleman to reflect on how much control there is by Canadians over the Bank of Canada or the Canadian National Railways. I understand, for example, that in Great Britain the government has been able to exercise virtually any degree of control it wishes over private enterprise but finds itself almost completely helpless in controlling or operating the enterprises it owns. I suggest it is high time there was a little re-thinking done about how the public maintains most effective control where it is necessary, and perhaps a little examination of whether it is not considerably a myth to think that ownership by a government as such really provides the people with any meaningful degree of control over large companies. However, I do not rise to provoke an argument. I am just trying to do my little bit in educating a younger member of the House.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hon. member for Abitibi (Mr. Laprise).

Mr. Knowles (Winnipeg North Centre): Another younger member.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I regret that I was not informed long enough in advance that we would be considering this bill today; it was determined only this afternoon. I do not intend for my part to object to this bill being referred to committee for consideration. This bill I am sure deserves lengthy consideration. The Social Credit Party of Canada is reluctant with respect to the Canadian monetary system. That does not mean that we have something against banks or bank owners but we do have something against the legislation which allows banks to create and control credit in Canada. The leader of the opposition said earlier that having more chartered banks would allow a better control to be exercised. I wondered somewhat if he would not go as far as suggesting that we each have our own bank or piggybank. There would be a good opposition, and we could all have our own credit. I do not think it goes that far; I do not know exactly who are the shareholders. I do not know them myself but I think IAC is well known in Canada. It is precisely that company which wants to be incorporated as a bank to get a charter in Canada.

Well, Mr. Speaker, usually when a company or a group of men ask for a bank charter the appropriate bill is rather limited. Bill S-30 is indeed rather voluminous probably because it has to do with a company which already exists and wants a charter transfer. That is why we will have a lot of questions to ask the representatives of IAC when they appear before the committee of the House and we will certainly take that opportunity to voice our opinions on the way currency and credit should be created and controlled in Canada.

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have just one short bit to add to this very interesting discussion. When the bill goes to the committee there should be a method whereby the promoters of this bank will be required to live up to their undertakings. I am sorry to say this has not been the case in respect of the most recent bank which came before this House. The promoters in that case gave undertakings which they have not lived up to. I think this is a contempt not only of parliament but also of the Inspector of Banks and so on. I hope when the bill gets to the committee the undertakings will be given and that the Inspector of Banks will be given the responsibility to see that the undertakings are lived up to after the seal of approval is given, if it is, by parliament. Otherwise a mockery will be made of our system. I for one regret that these undertakings were not fulfilled in the last instance.

Mr. David MacDonald (Egmont): Mr. Speaker, I shall speak for just a moment. Generally I agree that the addition of further banking opportunities in this country is important in order to accelerate the degree of economic activity in the private sector. I share both the concern of the hon. member for Yorkton-Melville (Mr. Nystrom) and the development or the experience as pointed out by the Leader of the Opposition (Mr. Stanfield).

Mr. Stanfield: You cannot sit on both sides.

Mr. MacDonald (Egmont): I am not attempting to. I think it is exceedingly difficult to control these institutions in the traditional way in which an attempt has been made to control them through public ownership. I think a vital question we will have to face at the next revision of the Bank Act will be the degree of influence available concerning the transactions and general activity of the banks in this country. As was mentioned a moment ago, there is a concern about the degree to which investments are made in this country and whether there are pressures which exist from outside the country.

One final point I believe is vital in terms of the banking institutions of Canada. I refer to the degree to which these institutions adequately reflect the financial needs of the various parts of the country. I think we will have to look very carefully at the way in which the financial portfolios are dealt with by the major banks inasmuch as we still

have the problem of making sufficient capital available in some of the underdeveloped regions of the country. If the banks have not yet found sufficient means of their own to achieve this, then I think some assistance and direction will have to be given. This is something that I hope will be kept in mind in the creation of the new Continental Bank of Canada.

● (1630)

I hope there is not some kind of irony in that the initials of this new bank will be the CBC, inasmuch as we are already spending a good deal of public funds through that particular agency. We want to be sure that the way in which this bank is operating will achieve some measure of economic stimulation and activity.

As a final point let me say that this week there has been a national meeting of two boards of directors of two national banks in this country with respect to their investment portfolios abroad. Very serious questions are being raised about the investment that takes place on the part of these banks in countries with which we have serious disagreements, such as South Africa. I think we do not want to encourage banks that will be investing the individual resources of the depositors of this country in areas where a measure of basic inequality has been maintained, based on something as unacceptable to the people of this country as racial division and separation.

With those few remarks, I look forward to further study of this proposal when it comes before the committee.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Knowles (Winnipeg North Centre): Five o'clock, Mr. Speaker.

Mr. Deputy Speaker: It is agreed that we call it five o'clock.

Some hon. Members: Agreed.

[*Translation*]

Mr. Deputy Speaker: It being five o'clock, the House stands adjourned until Monday next at 2 p.m.

At 4:35 p.m. the House adjourned, without question being put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 15, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SUGGESTION THAT STEPS BE TAKEN TO IMPROVE RELATIONS WITH UNITED STATES IN VIEW OF STATEMENT OF AMBASSADOR PORTER—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity concerning Canada's consistent worsening relations with the United States and arising particularly concerning the statement made during the weekend by U.S. Ambassador William Porter with regard to the necessity of something being done about this unfortunate situation. I would therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the House regrets the necessity of United States Ambassador William Porter having to draw attention to the deterioration in relations between our two countries; that the House regrets the anti-American statements made by the Prime Minister on such occasions as his visit to the Soviet Union and also on return from his last visit to the United States; that the House further regrets certain of the government's anti-American policies and, finally, the House requests immediate steps be taken to improve relations with our closest neighbour and largest trading partner by putting an end to our present foreign policy toward the United States, dominated by Ivan Head and the Prime Minister's office, and by placing it more properly under the direction of the entire cabinet and in the hands of a competent Secretary of State for External Affairs.

Mr. Speaker: The motion cannot be put without the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

TRANSPORT

PROPOSAL TO EXPEDITE APPROVAL OF GRADE SEPARATION PROJECTS IN VIEW OF ACCIDENT IN SCARBOROUGH—MOTION UNDER S.O. 43

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity which arises from the tragic loss of life which occurred last Friday at a level crossing in Scarborough. In view of the fact that metro Toronto has requested the grade separation at three particularly hazardous crossings as long ago as last February, and despite repeated prodding no action whatever seems to have been taken by the Canadian Transport Commission or the Ministry of Transport to approve the applications which, if carried out, would have prevented this tragic accident, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the government to ensure that a full inquiry be made into the circumstances of the accident, in particular as to delay in providing for the construction of grade separation projects, to speed up the procedures and to provide the necessary funds so as to proceed with meeting such requests with a due sense of urgency.

Mr. Speaker: Order, please. The motion cannot be debated without the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FINANCE

REQUEST THAT BASIC INCOME TAX EXEMPTION BE INCREASED—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

Considering the constant devaluation of the purchasing power increasingly affecting the small Canadian wage earners and since the workers have no other choice than to try to make up for those losses with salary increases already spent which bring about price increases, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House consider right now the serious decrease of purchasing power by indicating the correctives which the government must take as soon as possible and by demanding more particularly that the basic rate of tax exemptions be raised to leave additional purchasing power to the Canadian taxpayers.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

[*English*]

TRANSPORT

SUGGESTED EXPEDITING OF APPROVAL OF GRADE SEPARATION PROJECTS AND INQUIRY INTO REASONS FOR DELAYS—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the tragic accident at a railroad crossing in Toronto last Friday causing eight deaths and dozens of injuries, partially as a result of the delay by the Canadian Transport Commission in approving applications by the Toronto metro roads commission to proceed with grade separations, I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That this House instruct the Minister of Transport to take all necessary steps to have the Canadian Transport Commission make immediate decisions on all pending applications relating to grade separation projects, and that he look into the reason for delays in this and other applications and report to this House his findings.

Mr. Speaker: The motion cannot be debated without the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

STATEMENT BY AMBASSADOR PORTER ON CANADA-UNITED STATES RELATIONS—POSITION OF PRIME MINISTER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I should like to ask the Prime Minister about the statement made by Ambassador Porter suggesting that our relationships with the United States have deteriorated during the past two years and an atmosphere of suspicion, if not of hostility, is developing in important American quarters. Does this come to the Prime Minister as a surprise, or does the information that the government has been receiving from our own diplomatic service confirm the views expressed by Ambassador Porter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it comes to me as a surprise both as to the substance and as to the form. I have not seen the text of Ambassador Porter's statement and therefore I should not like to make any final comments on it, but I must say I am surprised that an experienced diplomat like Mr. Porter would not find other channels for expressing views if he thinks they are right.

Mr. Cossitt: You are anti-American, that is what is wrong with you.

Mr. Trudeau: Therefore, I am surprised about the form, and I repeat that I have not seen the text of Ambassador Porter's statement. I hope I will be seeing it fairly soon.

[Mr. Speaker.]

On the substance, of course, we do know there are problems being solved between our countries, and that there have been, will be and are various forms of irritants that we are always working to overcome. On the over-all substance, I think the most fair answer is to say I have seen President Ford three times during the past year and talked at great length with him at those meetings and at other times on the telephone. Secretary Kissinger was here a very short while ago, and made private and public statements to the effect that our relations were very good. I am, I confess, somewhat surprised at the tone of the remarks, as reported, of Ambassador Porter, and I must say they do not correspond to what either the President or Secretary Kissinger have been telling me.

Mr. Stanfield: Mr. Speaker, I am sure we can all agree about the importance of the question. My question really was basically whether the government of Canada would advise us of the tenor of the advice or information the government of Canada has been receiving from our own diplomatic services in the United States, and does it confirm or refute positively, one way or other, the opinions expressed by the ambassador? If the Prime Minister needs to look into this matter, does he intend, either himself or through the Secretary of State for External Affairs, to make inquiries of our diplomatic people in the United States in order to confirm or otherwise the impression the Prime Minister now has about relations?

Mr. Trudeau: Mr. Speaker, I thought I had answered that in my reply. If I can be more precise, let me say I did talk to Ambassador Warren last week, our ambassador in Washington, about other matters and this type of remark did not come up. I repeat that Ambassador Porter's remarks do not in any way reflect what I have learned from President Ford or Secretary Kissinger or from our own ambassador. This does not mean there are not difficulties which are arising all the time, solutions to which we are working on and attempting to find. The House knows that ever since the two countries have existed there has been a constant series of problems which have been discussed and solved, and that to me is the nature of our relations, not the kind of relations that Ambassador Porter is reported to have stated.

REASON FOR FAILURE TO RESPOND TO INVITATION OF UNITED STATES CONGRESSIONAL COMMITTEE TO HAVE REPRESENTATIVES EXPLAIN FOREIGN INVESTMENT LEGISLATION

Mr. David MacDonald (Egmont): Mr. Speaker, since the Prime Minister referred to the views he has received from President Ford and Secretary Kissinger he may be aware of the fact that Ambassador Porter referred as much to the media as to other aspects of government, particularly Congress. I am wondering whether the Prime Minister is aware of the fact that the Joint Economic Sub-Committee on Inter-American Affairs of the two Houses is meeting tomorrow and Wednesday basically to study our foreign investment review legislation, and whether or not he is aware that the staff have asked for representations from our government and have so far been refused, even though there are some prominent Canadian businessmen who will be appearing over the next few days? Will the Prime

Minister indicate why the decision was taken not to appear to explain this important legislation to the United States legislative body?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I was not aware of this request but I will look at it with some attention. As a matter of general principle, I am sure all members on both sides of this House will agree that it is not proper at first blush for members of the Canadian Public Service to appear before legislative bodies of other countries.

Some hon. Members: Hear, hear!

PROPOSED REVIVAL OF CANADA-UNITED STATES MINISTERIAL COMMITTEE ON TRADE—GOVERNMENT POSITION

Mr. David MacDonald (Egmont): Mr. Speaker, I am not sure whether the Prime Minister meant to indicate by the final part of his answer that there will be no spokesmen there to explain the Canadian government policy position. I should like to ask a further question of the Prime Minister in view of recent representations to the committee of the other place studying Canadian-U.S. relations, specifically by former U.S. Ambassador to Canada Schaetzel, in respect of the Canadian-U.S. ministerial committee on trade and economic affairs which has not met for the past five years. Ambassador Schaetzel specifically recommended that this committee be revived as an important instrument to overcome some of the difficulties referred to by Ambassador Porter. Can the Prime Minister indicate whether the government is giving consideration to this important committee in order that we might be able to overcome some of the difficulties that have presently been suggested.

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): On the first part of the question, Mr. Speaker, what I intended to convey, and think I did convey, was that if the United States wants to know about our policies, the way to know about them is not to summons our civil servants in front of their Congressional committees. Our ambassador is there. There are constant meetings at the ministerial level between Canada and the United States. We, of course, are very prepared and desirous to defend any aspect of our policies and to explain them to the American government, but we are not a colony of the United States.

Some hon. Members: Hear, hear!

Mr. Trudeau: On the meeting of the committee to which the hon. member refers, I think this is an interesting suggestion. I will see when the last meeting was held and whether another one is called for. It may be that because of the frequency of the meetings by ministers of many departments in the past several years the committee was not absolutely necessary. I know the Minister of Energy, Mines and Resources, the Minister of Agriculture, the Minister of Justice, the Solicitor General and the Minister of Finance have all been meeting at a fairly frequent pace. Perhaps it was not necessary to have this continuing committee meet.

Mr. MacDonald (Egmont): Mr. Speaker, just to be clear to the Prime Minister with regard to this joint economic sub-committee that is meeting tomorrow and Wednesday, the request was made through the regular diplomatic sources in Washington through our embassy. The embassy officials there did not offer either to advise the names of anyone or suggest in what way we might be adequately represented. Perhaps the Prime Minister should look into that in order that we can effectively explain this new policy initiative taken by the government.

Mr. Speaker: Order, please.

STATEMENT BY AMBASSADOR PORTER ON CANADA-UNITED STATES RELATIONS—SUGGESTED PROTEST OF AMBASSADOR'S ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Prime Minister. Since the remarks made by Ambassador Porter were not in print but apparently were deliberately made without a text before some senior journalists in Canada and that therefore the Prime Minister will not be able to check the text, I should like to ask the Prime Minister, since pretty well all the people at this conference with the ambassador are in agreement concerning what he said or is alleged to have said, whether he and the Government of Canada would make clear to the United States government that we do not accept as appropriate ambassadorial activity explicit criticism made internally of federal and provincial government operations.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the difficulty is as stated by the Leader of the New Democratic Party that I do not have the exact text. I can only assume that some of the things alleged to have been said, if said, were meant to be stated personally as an opinion of the ambassador. Certainly he was not speaking as the ambassador. Some of the quotations attributed to him, particularly as they concern provincial politics, certainly are beyond the acceptable bounds within which an ambassador should stay. I am sure the United States government would agree with this, but once again the whole case is based on reports which I have not been able to verify. I would like to add that word of caution. It is possible that Ambassador Porter himself will want to deny some of the statements which have been alleged or put in his mouth.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, since the ambassador apparently took pains to say to some journalists as they were leaving the meeting that they were free to comment either in the written media, on television or through other forms, it seems to be the deliberate policy of the U.S. government at this time for the ambassador to make such a statement and it seems extraordinary that such an experienced man would simply express a personal view in such a serious area. I would like to repeat in a sense the first question to the Prime Minister to confirm if this is the official U.S. policy and, if it is so, would he make clear that it is unacceptable to Canada?

Mr. Trudeau: Stated in that form, the question is hypothetical, but I will try to answer it nonetheless by repeating my earlier statement. I know from President Ford and from Secretary Kissinger that they consider they have good relations with Canada. Secretary Kissinger publicly stated here that there is no country with which they have closer ties and better communications than Canada.

Mr. Baldwin: That is when the switch was open.

Mr. Trudeau: He also said, "I consider our relationship to be very healthy". This is enough for me, and if Ambassador Porter has views to convey, it is just possible that he should be conveying them to this own government rather than in this particular way.

Mr. Broadbent: Since the reputation of the new ambassador, who will be coming to Canada before long, is, from the Canadian point of view, one about which we should be even more apprehensive than about that of the present U.S. ambassador—

Some hon. Members: Oh, oh!

Mr. Broadbent: —and I say that with care—considering his reputation in making statements about the internal affairs of other countries, I would like the Prime Minister to make it clear, not only to the present U.S. ambassador but to the future U.S. ambassador, that that kind of behaviour is totally unacceptable in Canada.

Mr. Baldwin: After he has heard you, he might not come.

* * *

[*Translation*]

FINANCE

REQUEST THAT BASIC INCOME TAX EXEMPTION BE INCREASED

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to direct a question to the Minister of Finance.

Considering that the cabinet is now busy drafting the forthcoming Speech from the Throne, a speech which will reflect on the gist of the next budget, and since a great many Canadian workers, witnessing the constant erosion of their purchasing power, are vainly trying to compensate for this loss with already eroded salary hikes, which is also responsible in part for price increases, could the minister advise the House whether he will consider the possibility of increasing the basic income tax exemptions to compensate for this loss in purchasing power?

Hon. Donald S. Macdonald (Minister of Finance): As a matter of fact, Mr. Speaker, we are not now considering the projects likely to be included in the budget. However, I take note of the hon. member's suggestion.

[*English*]

TRANSPORT

REQUEST FOR EXPEDITING APPROVAL OF GRADE SEPARATION PROJECT AT MIDLAND AND ST. CLAIR AVENUES, SCARBOROUGH—GOVERNMENT POSITION

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I have a question for the Minister of Transport, and I also have a supplementary.

Some hon. Members: Oh, oh!

Mr. O'Connell: Will the minister meet at once with representatives from metro Toronto and Scarborough city councils to investigate any causes for delay with a view to expediting approval of the application for regular plus special grants for the grade separations at Midland and St. Clair avenues in Scarborough? I ask this in view of the tragic accident there on Friday, December 12, which has taken nine lives.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the processing of this particular application was underway and the final recommendation was being prepared for me in connection with it. I am not sure a further meeting may be required, but I will certainly consider the suggestion.

● (1430)

I should point out to hon. members, however, that even in the original planning for the submission, the earliest time in which the grade separation would in fact have taken place would have been some time in 1977, and the crossing would have been in use until that time. So that however much sympathy one may have for those involved in the accident, the processing of the application would have no effect upon it.

PROPOSAL TO INCREASE FUNDS FOR GRADE SEPARATION PROJECTS

Hon. Martin O'Connell (Scarborough East): Will the minister undertake to maintain the capital funds available for grants for railway overpasses and underpasses at a level substantially higher than the average of the past three years, in view of the safety requirements of rapidly growing municipalities, especially those with rail commuter systems, and in view of the rapid escalation in construction costs?

Hon. Otto E. Lang (Minister of Transport): Obviously, the question of maintaining a fund at a particular level is not one for the minister alone but for the government as a whole. This is an area about which we have a great deal of concern and in which we have had an active interest over the years. There has consistently been a demand for funds in excess of whatever could reasonably be provided, and no doubt that will continue to be the case. However, I am glad to have the support of the hon. member for the application of funds for this purpose.

REQUEST FOR ASSESSMENT OF ADEQUACY OF SAFETY MEASURES AT LEVEL CROSSINGS IN SCARBOROUGH

Mr. Alan Martin (Scarborough West): Mr. Speaker, my supplementary question is to the Minister of Transport. Again with regard to this major accident involving, as it did, two types of public transportation, will the minister undertake an assessment of the adequacy of existing safety measures at this and two nearby level crossings, all of which involve main Scarborough bus routes as well as extensive automobile and pedestrian traffic?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, immediately following the accident officials from the Canadian Transport Commission were on the scene investigating the various aspects of the accident which relate to the rail mode of transportation to determine whether there was any failure in the rail or signalling system. Part of the other aspects of the safety measures required is, of course, in other hands, but we will certainly consider the whole question.

* * *

AIR TRANSPORT

BILINGUAL AIR-TO-GROUND COMMUNICATIONS—REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT CONCERNING DORVAL AND MIRABEL

Mr. Jack Murta (Lisgar): Mr. Speaker, I should also like to direct a question to the Minister of Transport. Would the minister give clarification to the House with respect to the statement he made this weekend that advisory services will be designated as bilingual, and in particular the commitment that the last phase of the transition to bilingual air-ground communications would be the introduction of bilingual operations at Dorval and Mirabel international airports?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am pleased to have the opportunity to clarify, in view of some of the press reports about the statements which have been made. I should like to make it clear to hon. members that the discussion of immediate implementation of measures in both languages at Dorval and Mirabel was specifically in relation to ground to ground communications, where we anticipate that following the development of procedures which are nearly complete and discussions about those procedures it will be possible to implement rules for such ground to ground communications in either language on April 1.

The question of any further steps, and specifically the question of the introduction of IFR bilingual procedures, was clearly indicated by me in my statement to be subject to the need for extensive tests of procedures. We will be proposing to make use of a new simulator in the Department of Transport to test IFR procedures during January and February to develop therefrom certain procedures which may be appropriate for the use of two languages; that these will in turn have to be tested again on the simulator; that in each case of the development of procedures we will be consulting all parties involved in safe air travel; and we will repeat the procedures of development of methods and the testing on the simulator until we are indeed satisfied that safe procedures are available.

Some hon. Members: Hear, hear!

REQUEST FOR TABLING OF REPORT ON WHICH DECISION TO ESTABLISH BILINGUAL AIR-TO-GROUND COMMUNICATIONS BASED

Mr. Jack Murta (Lisgar): Regardless of what the minister says, I should like to ask him if he would be prepared to table the reports which led him to the conclusion that air communications at Quebec airports will gradually become bilingual. Would he be prepared to table this report so that the House and also the country can see the considerations which led to this decision?

Some hon. Members: Oh, oh!

Hon. Otto E. Lang (Minister of Transport): I would be very glad indeed to provide the hon. member with the four or five page statement which I made in Montreal, and I will provide it to him in both languages.

Some hon. Members: Hear, hear!

REQUEST FOR ASSURANCE SAFETY ONLY CONSIDERATION INVOLVED IN ESTABLISHING BILINGUAL AIR-TO-GROUND COMMUNICATIONS

Mr. Jack Murta (Lisgar): Would the minister assure the House that the policy being followed is in the best interests of air safety and air safety only, which certainly should be the overriding concern of everyone involved with this transition?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Hon. Otto E. Lang (Minister of Transport): I do not agree that that is the only interest involved.

Some hon. Members: Oh, oh!

An hon. Member: It had better be.

Mr. Lang: It may be very important for hon. members to appreciate that air safety is a pre-eminent consideration and one which we will not in any way downgrade. However, there is another consideration involved, and that is that in this country there are two languages, and when we can we will develop proper procedures for the use of both languages in this area. We will do that with safety, but it is not the only element involved. We will ensure safety, but we will also, when possible, ensure the use of both languages.

Some hon. Members: Hear, hear!

Oral Questions

BUSINESS OF THE HOUSE

SUGGESTED SHORTENING OF PROPOSED CHRISTMAS RECESS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Since the government House leader advised the House on Thursday that it was not the government's plan to have parliament reassemble until January 19 or January 26, but at the same time gave us a long list of legislative items which the government considers must be passed immediately for the public good, a list which cannot possibly receive adequate consideration before Christmas, would the Prime Minister not agree that it makes far more sense to have parliament reassemble on Monday, January 5 so that we can proceed then in a constructive, orderly fashion to deal with this very large volume of work—

Some hon. Members: Oh, oh!

Mr. Hees: —in a way in which the people of Canada would like us to operate?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there are, of course, certain bills which must be dealt with even before January 1, and I understand that the government House leader has been discussing with his colleagues ways in which this might be done before January 1. However, as the hon. member can see, there is great support on this side for coming back on January 5 or earlier. This is something I hope all parties will discuss. In the name of the government, the government House leader has mentioned January 19 or January 26, but of course we are always willing and able to meet without any holidays or any break at any time.

Some hon. Members: Hear, hear!

* * *

AUDITOR GENERAL

DATE OF INTRODUCTION OF LEGISLATION—PROPOSED COMMITTEE STUDY OF REPORT OF INDEPENDENT REVIEW COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to move to a related subject. I have a question for the President of the Treasury Board.

Mr. Guay (St. Boniface): Do you agree with George?

An hon. Member: Did you hear what George had to say?

Mr. Baldwin: Is it the intention of the government to change its course and move away from the easy ride it has been having in connection with government expenditures? As a substantial element in any such program will the minister introduce, before this House adjourns, for first reading at least, the new bill to deal with the role of the Auditor General so that we can take some steps to staunch the very considerable waste and extravagance which has been recently demonstrated?

[Mr. Lang.]

● (1440)

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, we hope to table the bill concerning the Auditor General as part of the next Speech from the Throne and thus proceed with the legislation as early as next spring. We considered the Wilson report and most of the recommendations are acceptable. We are considering the Auditor General's report and the hon. member will understand that it takes a few weeks to go through such a complex, although well prepared, document as the one submitted by the Auditor General. The federal government certainly intends to proceed as soon as possible with both aspects of this problem.

[*English*]

Mr. Baldwin: A supplementary question, Mr. Speaker. In light of the fact that there has already been a period of gestation of seven months in connection with this report of the independent review committee, if the government fears to move because of bureaucratic apprehension will it at least refer this matter to the Standing Committee on Public Accounts under the able chairmanship of a member of this House?

Mr. Chrétien: Mr. Speaker, it is because we want to proceed as quickly as possible that we have decided to proceed with the bill and the bill will be ready. If we were to proceed the way the hon. member is suggesting, I am sure we would still be debating the matter in committee. Now that the government has made the decision about 95 per cent of the problems suggested by the hon. member will be taken care of.

* * *

TRANSPORT

MEASURES TO EXPEDITE PROCEDURE FOR DEALING WITH GRADE SEPARATION APPLICATIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question for the Minister of Transport is supplementary to a question asked by the hon. member for Scarborough East. What steps is the minister taking to expedite the procedure for grade separation of hazardous crossings?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think I indicated that, with regard to this specific crossing, the application went through the usual process and a recommendation was on its way to me. That is the normal procedure when there are almost always more applications than there are funds available.

Mr. Brewin: A supplementary. As the normal proceeding seems to have taken over ten months and produced no results, is the minister considering some further method of expediting these proceedings?

Mr. Lang: Mr. Speaker, I indicated that the examination of the application was at the point where a recommendation on it was now available. It is of course a matter of choosing between applications where funds are limited and not available for all purposes to which they might be

applied and the decision being taken. I also pointed out that tying them to a particular incident is rather unfortunate, in view of the fact that even the period of construction would have taken another year or a year and a half before there would have been grade separation at this point.

* * *

INDUSTRY

EFFECT OF LOCKHEED ORION CONTRACT ON REGIONAL COMPANIES IN THE MARITIME PROVINCES—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce and I welcome him back to the House. It has been a week or ten days since I put a question to him with respect to the industrial benefit arising out of the LRPA program. Is the minister now in a position to indicate what protection will be built into the program with respect to regional companies such as IMP?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I thank the hon. member for his welcome. In so far as IMP is concerned, which I believe is the company for which the hon. member has the primary concern at the moment, I will be glad to provide him with figures as to how much they will participate in the actual LRPA program. There has not yet been a determination of repair and overhaul work following the introduction of the LRPA. I would be glad to sit with the hon. member and discuss with him what possibility there may be in that connection for maritime companies, for example.

Mr. Forrestall: A supplementary question. I wonder if the minister could indicate to the House whether he would agree—and indeed the Prime Minister left some impression in this regard the other day—that there is not much point in the transfer of some 400 jobs from one part of Canada to another; at the same time, if he does agree, would he not give some assurance that some input into the technological and engineering development of this new LRPA should go to IMP so that those 400 jobs in the Atlantic area could be protected?

Mr. Jamieson: Mr. Speaker, I have no quarrel with the proposition the hon. gentleman puts forward. He should recognize, however, that in changing from the particular aircraft on which IMP has been working to the new one, we must work out some formula for repair and overhaul. As I said, I will be glad to do that in detail in the period we have, which is perhaps three or four years, between now and the point where the new aircraft comes into operation.

Mr. Forrestall: A final supplementary, Mr. Speaker. The very thing we are all afraid of has just come out now in the minister's answer. I would draw the minister's attention to the fact that unless this question of access to the industrial benefit of this program does include the technological and engineering involvement by companies such as IMP—and the minister is correct that it is not the only one—they will not be able to participate later on in the program. It is in the next two weeks that such a decision has to be made. I wonder if the minister might not look closer at that some time this week.

Mr. Jamieson: Yes, Mr. Speaker. I fear there has been some misunderstanding in terms of the question the hon. member asked. I thought he was primarily interested in whether a percentage of the repair and overhaul that presently exist could be maintained and that is what I said we had a period of time to examine. If we are talking about what part of the construction program can be transferred or assigned to IMP at the moment, of course that has to be decided shortly. I think there has been an assessment already of what the program may mean in terms of that particular company but I will be glad to talk it over with the hon. member.

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[*Translation*]

COMMUNICATIONS

CABLEVISION—REQUEST FOR REPORT ON NEGOTIATIONS WITH QUEBEC

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I want to ask a question of the Minister of Communications. I take this opportunity to congratulate her on her new appointment.

Nothing having transpired since October 13 in the field of cablevision, could the minister tell the House when she will make a statement to the House about the discussions between Ottawa and Quebec in order to refresh hon. members' memory and inform them of the state of negotiations on that matter?

Hon. Jeanne Sauvé (Minister of Communications): I thank the hon. member for his good wishes. There is no negotiation going on between the province of Quebec and the federal government on the question of cablevision in the region of Matane and Rimouski at the present time. However, an appeal is now before the courts and that is why it is difficult for me to comment on that question right now.

* * *

[*English*]

NORTHERN AFFAIRS

PROPOSED INVESTIGATION OF HIGH COST OF FOOD IN THE NORTH AND TRANSPORTATION SUBSIDY ON SOME ITEMS—GOVERNMENT POSITION

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and concerns the report of the Food Prices Review Board on food prices in northern Canada which has just been released. At the urging of the Consumer Association of Canada and of the Yukon that an independent investigation be conducted with respect to establishing the reasons for the high cost of food generally in the north and since that appears to be a recommendation of the Food Prices Review Board, will the minister exercise the authority which he undoubtedly has and cause such an investigation to be made which appears to be in keeping with this recommendation?

Oral Questions

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not absolutely certain that I possess such powers but I will be happy to look into the matter.

Mr. Nielsen: A supplementary question. Since the report also recommends that, in order to help bridge the nutrition gap in the Yukon and the Northwest Territories which is caused by this unjustified gap between food prices and the cost of transport, a selection of nutritious foods be subsidized by the federal government, particularly fresh foods and dairy products, in the interim will the minister speak to his cabinet colleagues in the hope that a decision might be made to implement that recommendation of the Food Prices Review Board forthwith in order to ensure a continuous supply of nutritious foods in the north at the same prices as other Canadians pay for them?

Mr. Buchanan: Mr. Speaker, I will be happy to look into the recommendation of the hon. member.

* * *

● (1450)

OLYMPIC GAMES

ALLEGED MISLEADING ADVERTISING FOR SILVER COINS—GOVERNMENT ACTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in the absence of the Postmaster General, I will put my question to his parliamentary secretary or, rather, the President of the Treasury Board who is closely connected with this subject matter. In view of the fact that over the weekend an American television network, CBS, stated in a report that Canadian silver Olympic coins, due to over-production and overpricing, are unlikely to increase in value, contrary to the Olympic coin advertising campaign, is the government prepared to take steps to have the advertising campaign under the coin program altered in a way that it will no longer be misleading to the public?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, I am very surprised at the CBS statement. We have an excellent coin program in all respects. Sales have been very good. It seems that the problem lies with the lack of sophistication in the American market. We have done extremely well on the European market in the sale of our coins. Sales have been excellent. It seems that the American market may be a little slow due to this lack of sophistication.

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CONSUMER AFFAIRS

REQUEST FOR ACTION TO DEAL WITH ALLEGED MISLEADING ADVERTISING FOR OLYMPIC SILVER COINS

Mr. Otto Jelinek (High Park-Humber Valley): Notwithstanding the parliamentary secretary's non-answer to my question, I will put my supplementary to the Minister of Consumer and Corporate Affairs. In view of the fact that many Canadian coin dealers, as a matter of fact nine out of ten I talked to this morning, confirm the statement made on the Columbia Broadcasting System as factual and added that there is even a likelihood of the coins decreasing from their original value and therefore clearly making the whole Olympic coin advertising campaign, through its ads over television, misleading to the public at large, is the minister now prepared to enforce the provisions of his own Combines Act, Section 36, dealing with false and misleading advertising?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, given the type of questions he puts and interventions he makes, I have always wondered whether the hon. member is really for or against the Olympic Games. One again I notice that his intervention reflects a rather clouded mind, and the way he puts his questions surely hides ulterior motives. On the other hand, if the hon. member has elements of proof or other pertinent information to convey, I shall be pleased to transmit them to the director of inquiries.

* * *

[*English*]

EXTERNAL AFFAIRS

STATEMENT BY AMBASSADOR PORTER ON CANADA-UNITED STATES RELATIONS—POSITION OF PRIME MINISTER

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister because I am anxious that we do not send any gunboats as a result of Ambassador Porter's frankness. There is a fair amount of hyperbole about this issue. I think it is worth while keeping our perspective. Is it not a fact that it is healthier for relations between two countries to have this type of exchange rather than the usual platitudes that take place on our respective national days? Does the Prime Minister not welcome this somewhat unorthodox method of reminding Canadians and Americans of what are obviously irritants on both sides of the border?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can assure the hon. member that gunboats will not be called for. I thought I made it clear that we had no quarrel with what the President of the United States or the administration said in these matters. Therefore, if gunboats were called for, it would be against an ambassador. That obviously is overkill.

Some hon. Members: Hear, hear!

Mr. Trudeau: The hon. member seems to feel that this is a healthy state of affairs. I do not want to intervene in the way in which the United States runs its affairs. However, I suggest if it has this kind of representation to make to me, I find it passing strange that it does not come from the President or Secretary of State, but comes from some ambassador talking to somebody else. I suggest that is not the usual way of proceeding.

Some hon. Members: Hear, hear!

* * *

AIRPORTS

REQUEST FOR TABLING OF LETTER FROM LANGUAGE COMMISSIONER ON WORKING CONDITIONS IN DORVAL CONTROL CENTRE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask the Minister of Transport whether he will table in the House a letter which I believe he received from the Commissioner of Official Languages relative to working conditions at the control centre in Dorval.

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker, I will be very pleased to do that.

* * *

FINANCE

POSSIBLE DISCUSSIONS WITH UNITED STATES ON REDUCTION OF FUNDS FOR EXPLORATION FOR OIL AND GAS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Finance. In light of the statement made by the ambassador from the United States and the irritants between the United States and Canada which have become more acute, has there been any discussion at a high level or another level with regard to a reduction of investment in the oil and gas industry, exploration and development of which is going to be accelerated in 1976? Has there been any discussion with regard to a unilateral cutback in the United States or a discussion between the two nations?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I saw the Secretary of the Treasury in Washington last Wednesday. There was no such suggestion at all at that meeting.

Mr. Woolliams: Can the minister assure the House that discussions at the high level he has just stated will continue so that exploration and development of natural gas in particular in Alberta and elsewhere will continue in order that we will always have a guarantee of being self-sufficient in Canada, something that is very important to our domestic and industrial welfare as well as with regard to controlling inflation?

Mr. Macdonald (Rosedale): Mr. Speaker, the present Secretary of the Treasury is a former federal energy administrator. As such, he knows a great deal about the energy scene in North America. In particular, he is supportive of the energy policies we have been following in Canada.

PUBLIC SERVICE

ALLEGATION MINISTER SOLICITING FUNDS FOR LIBERAL PARTY FROM EXECUTIVES OF CROWN AGENCIES

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Minister of National Health and Welfare. This relates to the decision by the minister recently to solicit donations for the Liberal party directly from the executives of Crown corporations and Crown agencies through letters sent to these employees using their official titles and business addresses. Will the minister say whether he intends to expand the letter solicitation for the Liberal party to bring pressure on larger numbers of public servants and will he table in the House a list of those employees of Crown corporations and government agencies who were solicited for donations?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all, I should like to point out that, contrary to the Progressive Conservative Party at least, we did not send any letter to the Treasury Board and most of the departments to obtain contributions.

Secondly, those letters were sent out by the Quebec branch of the Liberal Party of Canada to a large number of citizens, as such, throughout the province of Quebec. If some of them happen to be employees or civil servants of Crown corporations, it would not surprise me. But I feel there is nothing in the law, nor even in political tradition that prevents the citizens who work for a Crown corporation or even a government, from contributing or refusing to contribute to the political party of their choice. They are free, as citizens, to do as they please. However, I am very pleased that the Liberal Party should invite all Canadian citizens to contribute to our party, because I feel it is an excellent thing.

● (1500)

[*English*]

Mr. Bawden: Mr. Speaker, I have a supplementary question.

Mr. Speaker: Order, please. I am going to permit the hon. member for Calgary South one supplementary which will conclude the question period. I should caution him that initially he questioned the Minister of National Health and Welfare in an area that is outside his jurisdiction as a minister. Because it pertains to solicitation of employees of Crown corporations, I let it go. It must stay in that area.

Mr. Bawden: Mr. Speaker, I can appreciate how sensitive the minister and members opposite are about this question.

Some hon. Members: Oh, oh!

Mr. Bawden: It would be appropriate if the minister would inform the House whether donations from such public servants will affect promotions.

Some hon. Members: Oh, oh!

Mr. Bawden: If not, what action has he taken or will he take to assure these public servants that such donations

will not in any way change their future employment opportunities? At the same time, will he assure the House that this practice will cease?

[*Translation*]

Mr. Lalonde: Mr. Speaker, as the hon. member is aware, any contribution exceeding $100 made to a political party is public, recorded and available to all citizens, the hon. member included. He will be able to see who contributed and what happens or does not happen to contributors. As far as I am concerned, any Canadian is free to contribute to the Liberal party, and I invite people to do so.

[*English*]

Mr. Jelinek: Mr. Speaker, I rise on a point of order, and Your Honour may even rule that it is a question of privilege because of the fact that every time I have raised an Olympics question the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and other ministers have implied, with racial overtones, that I am against the Olympics. I cannot accept an accusation of that kind on the part of the government.

I should like to make my position very clear, as I always do when I speak on this subject: It is not that I am anti-Olympics, or against the fact that the Olympics are to be held in Montreal, but I am anti-fraud and I am against the manner in which the government has allowed the financing of the Olympic Games to be dealt with. I simply asked the minister whether he would apply the provisions of the Combines Investigation Act. I see the Minister of National Health and Welfare (Mr. Lalonde) is laughing. I would remind him that the Olympics are going to cost Montreal $1 billion. I simply asked him whether he would apply the law, the Combines Investigation Act, Section 36 having to do with misleading advertising, which is applicable to the Olympics silver coins issue since nine out of ten of the coin dealers across Canada say that the coins will not increase in value by three, four, eight or nine times as the advertising suggests, particularly on television.

I hope the minister will either assure us that he intends to apply the law, the Combines Investigation Act, Section 36, or not and continue to deal fraudulently with respect to the financing of the Olympics Games through these coins.

Mr. Speaker: The hon. member has raised, by way of a point of order, what is primarily a complaint about the answer he received from a minister today. As such, it cannot be regarded as a valid point of order. There was, however, another aspect of his complaint, one which is more serious. As I understood it, the hon. member did say something about a racial overtone in the answers he had been given. If such has been the case during the question period while I have been in the chair, I certainly was not aware of it.

Some hon. Members: Hear, hear!

Mr. Speaker: If there is any evidence that the hon. member might wish to put forward in this respect, perhaps he would bring it to my attention. His remarks on introducing the point of order prompted the reflection that the Chair might have allowed, perhaps unwittingly, some suggestion of a racial overtone to pass. But as far as I am aware, that has not been the case. If there is any information to the effect that there has been any kind of racial overtone in any of the answers given, it should be brought to my attention.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, on a point of order.

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

Mr. Beaudoin: I would like to point out to Your Honour that today we could only ask one question without any supplementary. We do not want to appear to be smart, but I understand we had today supplementaries with an excessively long preamble and that took most of the oral question period. With the cooperation you always gave our party, we would like to have a chance in the future to ask at least two questions. I thank you, Mr. Speaker.

Mr. Speaker: The hon. member will recognize that there was a problem today. Only 12 hon. members of the official opposition and two of the New Democratic Party asked questions today, according to the normal proportion. There was also one hon. member of the Social Credit today. This is unfortunately the situation which prevailed during the oral question period. The hon. member is perfectly aware that on other days at least two and sometimes three hon. members of the Social Credit can ask their questions. Unfortunately it was impossible this afternoon. I regret it as much as the hon. member.

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1975

BORROWING AUTHORITY FOR PUBLIC WORKS AND GENERAL PURPOSES

Hon. Donald S. Macdonald (Minister of Finance) moved for leave to introduce Bill C-80, to provide supplementary borrowing authority for public works and general purposes.

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

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,085, 3,129, 3,165, 3,262, 3,311, 3,315, 3,481, 3,563, 3,592, 3,619, 3,661 and 3,679.

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

[*Text*]

PRIME MINISTER'S TRIP TO EUROPE

Question No. 3,085—**Mr. Cossitt:**

Other than news media personnel, what are the (a) names (b) addresses (c) job designations of government employees, accompanying or in any way connected with the Prime Minister on his current trip to Europe including Helsinki, Finland and, in each case, what is the purpose of the presence of each individual and the particular service provided?

Right Hon. P. E. Trudeau (Prime Minister): Prime Minister's Office: Mr. Ivan Head, Special Adviser to the Prime Minister; R. W. Murdoch, Executive Assistant to the Prime Minister; Miss C. Viau, Personal Secretary to the Prime Minister; C. Tower, Assistant Press Secretary; Ian MacDonald, Assistant Press Secretary; R. Coleman, Press Assistant; Miss F. Courtemanche, Special Assistant, P.M.'s office; Miss L. Brazeau, Assistant (Press). Department of External Affairs: J. G. H. Halstead, Deputy Under-Secretary of State; C. F. W. Hooper, CSCE Co-ordinator; H. C. Ahrens, Secretary to the delegation; J. P. Gombay, Advisor; B. V. Johnstone, Administration/Logistics Officer; Miss I. Bourque, Secretary; W. Horner, Security guard; Miss A. Sarzynski, Communicator; W. T. Delworth, Ambassador to CSCE; G. J. Warren, Legal Advisor; W. M. M. Fairweather, Delegation Secretary-general; W. Rabbie, Technician; Miss Jean Bearss, Secretary; Miss A. Lambert, Secretary. RCMP: Inspector Barry Moss. Department of National Defence: Commander J. D. Toogood. Department of National Revenue: Miss J. Lester, Customs Officer. In addition to employees listed above, Mr. M. E. Corbin M.P. accompanied the Prime Minister. The descriptive titles of the individuals indicate the area of assistance to the Prime Minister.

DEPARTMENT OF PUBLIC WORKS TENDERS

Question No. 3,129—**Mr. Cossitt:**

1. Did the Department of Public Works call tenders for moving certain goods from the Language Centre Pavillion on Carson Road to the Killenay Building at 460 O'Connor Street and, if so (a) on what date (b) what are the names of those who tendered (c) was such tender invited or advertised?

2. What are the names of those who bid on the contract and what was the amount in each case?

3. Was one of those who bid, C.W. Faulkner and, if so, what is the exact address and telephone number of this moving firm?

4. Was a contract originally awarded to C.W. Faulkner transferred to Parkway Movers and, if so (a) for what reason (b) at what price did Parkway Movers do the job?

Hon. C. M. Drury (Minister of Public Works): 1. Yes. (a) August 26, 1975. (b) C. W. Faulkner, Parkway Van Lines, A and D Moving. (c) Invited.

2. C. W. Faulkner, $4,200.00; Parkway Van Lines, $6,438.00; A and D Moving, $7,481.00.

3. C. W. Faulkner Cartage, 1803E Russell Road, Ottawa, Ontario. K1G ON1. Telephone 521-7958.

4. No.

DREE AND PAIT GRANTS

Question No. 3,165—**Mr. Reynolds:**

By province, what were the total payments in (a) DREE grants (b) PAIT grants for the years 1972, 1973 and 1974?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Regional Economic Expansion and Industry, Trade and Commerce as follows:

(a)

Province	April 1, 1974 to March 31, 1975 Total Expenditure Budgetary and Non-Budgetary (000's)
Newfoundland	$ 68,392
Prince Edward Island	22,801
Nova Scotia	40,789
New Brunswick	63,423
Quebec	122,144
Ontario	18,846
Manitoba	28,460
Saskatchewan	26,804
Alberta	16,069
British Columbia	6,156
Not Allocated	24,670
Total	438,554

For 1972-73 and 1973-74 see answers to question No. 3 (September 30, 1974) and question No. 1,518 (February 5, 1975). (b) PAIT contributions by province for the fiscal years 1971/72-1974/75. See following table:

Province	1971/62	1972/73	1973/74	1974/75
Newfoundland	–	–	–	–
Nova Scotia	38,000	35,586	14,894	95,003
New Brunswick	13,000	28,044	20,253	9,169
Prince Edward Island	–	7,920	30,479	8,805
Quebec	8,104,000	5,710,945	5,686,271	4,987,223
Ontario	14,577,000	17,461,501	15,600,224	18,554,922
Manitoba	431,000	415,203	243,219	187,000
Saskatchewan	–	35,940	88,713	85,402
Alberta	1,071,000	745,359	678,922	875,852
British Columbia	3,194,000	2,096,425	3,194,872	4,695,306
Total	27,428,000	26,536,923	25,557,847	29,498,681

NATIVE COMMUNICATIONS PROGRAM

Question No. 3,262—**Mr. Muir:**

1. Since April 1, 1975, how many applications have been received under the Native Communications Programme of the Department of the Secretary of State?

2. In each case, what was the name of the organization and how much funding was requested?

3. How many applications have been funded and, in each case, what was the (a) name (b) address (c) amount of each application?

Order Paper Questions

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): 1. Since April 1, 1975, 27 applications have been received by the Native Communications Programme of the Department of the Secretary of State.

2. Although the information provided by organizations relating to the amount of funding requested is not received as formally declared confidential material, organizations generally tend to view it as confidential. It would be preferable therefore that the organizations be approached directly for the amount of funding requested. The names of the organizations which have made application since April 1, 1975 are: 1. Raven Society of B.C.; 2. Indian Voice; 3. That-Lun-Lin Native Communications Society; 4. Alberta Native Communications Society; 5. Indian News Media; 6. Native Communications Society of the Western N.W.T.; 7 Federation of Saskatchewan Indians; 8. Métis Society of Saskatchewan; 9. Native Communications Inc.; 10. Manitoba Métis Federation; 11. Manitoba Indian Brotherhood; 12. Kitikmeot Inuit Association; 13. Keewatin Inuit Association; 14. Wa Wa Ta Native Communications Society; 15. Ontario Native Communications Society; 16. Taqramiut Nipingat; 17. Laurentian Alliance of Métis and Non-Status Indians; 18. Baffin Inuit Association; 19. Native Communications Society of Nova Scotia; 20. Métis and Non-Status Indian Association of New Brunswick; 21. Native Association of Nfld/Labrador; 22. Labrador Inuit Association; 23. P.E.I. Association of Métis and Non-Status Indians; 24. Native Council of Canada; 25. Inuit Tapirisat of Canada; 26. National Indian Brotherhood; 27. National Association of Friendship Centres.

3. Following are the grants approved to date (November 12, 1975):

Name	Grant Approved
Raven Society of B.C. R.R. No. 1 Qualicum Beach, B.C.	$ 75,000
Indian Voice 201-423 West Broadway Vancouver, B.C.	25,000
Thay-Lun-Lin Native Communications Society 22 Nisutlin Drive Whitehorse, Yukon	75,000
Alberta Native Communications Society 11427 Jasper Avenue Edmonton, Alberta	300,000
Indian News Media Box 58 Standoff, Alberta	165,000
Native Communications Society of the Western N.W.T. Box 1992 Yellowknife, N.W.T.	178,000
Federation of Saskatchewan Indians 1114 Central Avenue Box 1644 Prince Albert, Saskatchewan	25,000
Native Communications Inc. C/O 804 Montreal Trust Building 213 Notre Dame Avenue Winnipeg, Manitoba R3B 1N3	75,000
Manitoba Métis Federation 301-374 Donald Street Winnipeg, Manitoba	25,000
Wa Wa Ta Native Communications Society P.O. Box 1180 Sioux Lookout, Ontario	125,000
Tagramiut Nipingat C/O 6-110 Cartier Street Ottawa, Ontario	200,000
Native Council of Canada 77 Metcalfe Street 2nd Floor Ottawa, Ontario K1P 5L6	25,000
Inuit Tapirisat of Canada 222 Somerset Street West Ottawa, Ontario K2P 2G3	25,000

SCREENINGS IN ST. LAWRENCE CENTRE'S TOWN HALL

Question No. 3,311—**Mr. Friesen:**

1. What was the cost for the rental of the St. Lawrence Centre's Town Hall and the cost of promotion for the free screening of (a) "*Les Ordres*" and "Why Rock the Boat" in addition to several National Film Board shorts on October 22, 1975 (b) "The Apprenticeship of Duddy Kravitz" and several short National Film Board films on October 23, 1975?

2. Are there any plans for similar free screenings in other Canadian centres and, if so, which ones?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): 1. The film showings (October 22 and 23) referred to, formed part of the Canadian Film Awards activities. The Canadian Film Awards is a private organization, composed of various groups of professional Canadian film associations and funded, in part, through a grant from the Department of the Secretary of State. A final statement of costs for this year's awards has not yet been received.

2. I am not aware of plans for similar free screenings in other Canadian centres.

BOMBARDIER LIMITED

Question No. 3,315—**Mr. Brisco:**

1. For each year since 1968 (a) what are the details of all grants or loans received by Bombardier Limited (b) from which departments did such grants or loans originate?

2. Did the Honourable Jean-Luc Pepin serve as an officer, a member of the Board of Directors or in any other capacity for Bombardier Limited and, if so, in what capacity and during what period of time?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Industry, Trade and Commerce is concerned: 1. Bombardier Ltd. has received the grants or loans shown on the following table under Industry, Trade and Commerce programs. Payments for development of Export Markets "PEMD" total $31,121.00 and are repayable as a percentage of sales resulting from the marketing activities supported. Payment for industry modernization "IMDE" total $387,058.00, 50 per cent of which are repayable. Payments to share the cost of the development

of new products or the improvement of existing products "PAIT" total $1,664,277. Grants have been paid under the Industrial Research and Development Incentives Act. Information on these grants is privileged and cannot be released.

Bombardier Ltd. – Grants or Loans Received

F/Y	PEMD	IMDE	PAIT
1967/68			
1968/69			
1969/70			
1970/71			
1971/72			$ 309,016
1972/73	$ 2,691		289,964
1973/74	14,142		456,287
1974/75	14,288	$387,058	455,359
1975/76			153,651
Total	31,121	387,058	1,664,277

In so far as the Department of Regional Economic Expansion is concerned: 1. (a) Bombardier Limited through its wholly-owned subsidiary "Matériel de Transport Bombardier Ltée", obtained an offer of assistance in the amount of $1,108,559 in 1974. (b) Department of Regional Economic Expansion.

2. When the request for assistance from "Matériel de Transport Bombardier Ltée" was evaluated, the Hon. Jean-Luc Pepin was a member of the board of directors of Bombardier Limited. Our files contain no information that would enable us to specify in what capacity or during what period he served on the board of directors.

GRANTS TO VERSATILE MANUFACTURING

Question No. 3,481—**Mr. Mazankowski:**

Have grants been made to Versatile Manufacturing of Winnipeg since its incorporation and, if so (a) what were they (b) for what purpose (c) on what dates (d) in what amounts?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): (a) $467,152.08. (b) Contribution for development under program for advancement of industrial technology. (c) and (d) See below.

Date	Amount
March, 1971	$ 56,728.50
April, 1971	26,614.62
June, 1971	17,686.54
July, 1971	7,398.50
August, 1971	29,070.47
October, 1971	23,709.51
November, 1971	22,732.64
January, 1972	10,117.31
April, 1972	46,695.74
August, 1972	17,248.85
September, 1972	9,372.39
December, 1972	55,697.41
March, 1973	17,994.47
April, 1975	126,085.13
	$467,152.08

Order Paper Questions

CONSTRUCTION OF HIGH SCHOOLS IN CONSTITUENCY OF BELLECHASSE

Question No. 3,563—**Mr. Lambert (Bellechasse):**

Has the government financed the construction of the Ste-Justine and St-Anselme high schools in the Constituency of Bellechasse and, if so, in each case (a) in what amount (b) under what agreement (c) through what department?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by several departments as follows: no.

EFFECT OF REDUCTION IN CASH REQUIREMENTS ON HARBOURS

Question No. 3,592—**Mr. Reynolds:**

With reference to the answer to Question No. 3,170, could the Minister responsible for the National Harbours Board advise on which harbours the $6 million reduction in cash requirements will have an effect?

Hon. Otto E. Lang (Minister of Transport): The National Harbours Board advises that reductions in cash requirements at the harbours listed below are as follows: St. John's, Newfoundland, $2,620,000; Halifax, $500,000; Quebec, $250,000; Churchill, $1,380,000; Vancouver, $1,250,000; total $6,000,000.

RETAINING OF LAWYERS IN VICTORIA CONSTITUENCY

Question No. 3,619—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Transport during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Otto E. Lang (Minister of Transport): 1. Nil.

2. Not applicable.

TONNAGE OF CONTAINERIZED FREIGHT HANDLED IN MONTREAL

Question No. 3,661—**Mr. Forrestall:**

What is the government's present, up-to-date best estimate of the total tonnage of containerized freight handled by the Port of Montreal in 1974?

Hon. Otto E. Lang (Minister of Transport): The National Harbours Board advises as follows: 1,774,008 tons.

MARITIME POLLUTION CLAIMS FUND

Question No. 3,679—**Mr. McKinnon:**

1. What is the amount remaining in the Maritime Pollution Claims Fund?

2. How many payments have been made out of the Fund and, in each case, in what amount?

3. To whom have the payments been made?

Unemployment Insurance Act

Hon. Otto E. Lang (Minister of Transport) 1. $32,796,-340.80 as of December 4, 1975.

2. One. $345.90.

3. Mr. William Guimond, fisherman, Pointe Au Père, Quebec.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House proceeded to the consideration of Bill C-69, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: Order. Consideration has been given to a number of motions which were tabled at the report stage. Two, it seems, of the 22 motions which are before the House for consideration appear to be out of order, and perhaps the question of procedure involved could be discussed when we come to them. I refer to motions 4 and 6. These two motions appear to the Chair to introduce into the bill a concept larger than that originally envisaged in the royal recommendation, in that they would extent the qualifying period to those who are on strike lawfully and to those who are out of work for the purpose of establishing a self-employed operation. Both would appear to increase benefits by extending the period of qualification. When these motions are called, hon. members might be prepared to put forward arguments addressed to the procedural aspects.

● (1510)

Furthermore, the Chair has some concern about motion No. 13 in that it appears, by way of amendment, to delete a section which is not proposed to be deleted by the bill. However, there is the fact that clause 11 proposes to amend a very similar subclause of the bill regarding the initial benefit period and the amendment would delete a second or a different section, but a similar kind of prohibition, with respect to the extended benefit period.

It may be that by argument and explanation the motion can be shown to be in fact in order. I simply caution that when motion 13 is called, there ought to be some attention paid on both sides to the procedural argument. On balance, it would seem to the Chair that the motion should probably stand, but there may be a question whether or not it goes beyond the scope of the bill. The two provisions seem to me to be so related that probably the motion should stand, but I would simply suggest that when motion No. 4 is called there ought to be argument about the procedural regularity of motions 4 and 6. When motion 13 is called, it ought to be argued procedurally as well.

The remaining motions seem to be in order. Motions 1 and 2, it appears, ought to be discussed together but voted on separately. Motion 1 should be voted on first, because it proposes the deletion of a clause; motion 2 would be voted on if motion 1 does not carry, because it proposes the deletion of a portion of the clause. Motions 9, 10, 16, 21 and 22 ought to be discussed and voted on separately. Motions 7 and 8 should be grouped for debate, I would think, along with motions 14 and 15, and perhaps all four motions could be disposed of by a vote on motion No. 7. It appears that motions 11 and 12 ought to be grouped together for discussion, and motions 17, 18, 19 and 20 could be grouped for debate and disposed of with one vote.

Perhaps, while motion No. 1 is under discussion, hon. members could give consideration to that proposition and return to further argument on it as the day progresses.

Mr. Alexander: Mr. Speaker, I rise on a point of order, if it pleases the Chair. My point of order has to do with the royal recommendation. I should like to enter a caveat against the royal recommendation to this bill being taken as a precedent. These recommendations limit the right of all hon. members, except a minister of the Crown, to propose amendments. There appears to be a tendency on the part of the person responsible for drafting these recommendations to overwrite them; that is, the recommendation is written to cover clauses that do not appropriate public funds, as well as those that do.

Here the offence is worse. Funds for the Unemployment Insurance Act, 1971, are only appropriated out of public funds if unemployment exceeds 4 per cent; below that figure all moneys in the account are private funds. Yet the recommendation is written as though all funds were appropriated from public revenues. Indeed, the recommendation is so written although one of the purposes of the bill is stated in the recommendation to be "to provide, in the manner prescribed, for a new basis for the calculation that determines the proportion of the basic cost of benefit for a year that will be borne by the government". In effect, the provision supported by this recommendation will make the public contribution to the account less, and the private contribution more.

There is a definition in section 136 of the act which indicates the extent of the commitment of public revenues under this act. That definition is headed, "Government cost of paying benefit". That phrase should be used to limit the recommendation so that it would read, "To the extent of the government cost of paying benefit, His Excellency the Governor General has recommended", etc. That is all His Excellency can recommend and that is as far as the recommendation should go.

As I understand it, the private sector is responsible for the cost when unemployment is 4 per cent or less, so not only is the government contribution involved. We would not want the draftsman of the legislation to consider that a precedent has now been put forward with which we on this side agree, and I bring this to Your Honour's attention so that Your Honour is apprised of the situation.

Mr. Speaker: Order, please. The hon. member for Hamilton West (Mr. Alexander) has raised a point of order concerning the drafting of the recommendation. At this stage 22 motions respecting amendments to the bill have been put forward. The bill has gone through committee, and opportunity existed for amendments at that time. I therefore take it that the hon. member for Hamilton West

is not seeking, at this particular time, a decision on his point of order but, rather, is pointing out generally that there may be a problem existing and he is putting on record the fact that a complaint does exist. I would tell him that his point is well noted. If there are no other hon. members who wish to contribute to the point of order, perhaps the hon. member for Hamilton West should have the floor on motion No. 1.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, since Your Honour said that motions Nos. 1 and 2 would be grouped together for debate, should not both motions be placed before the House at this time?

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) has the point well taken, of course. His motion No. 2 seeks to delete a portion of the clause that is sought to be deleted in its entirety by motion No. 1. Therefore, motions 1 and 2 should be before the House at the present time. The hon. member for Hamilton West (Mr. Alexander) should presumably have the floor first, followed by the hon. member for Winnipeg North Centre.

The hon. member for Hamilton West moves:

Motion No. 1.

That Bill C-69, an act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 1.

The hon. member for Winnipeg North Centre moves:

Motion No. 2.

That Bill C-69, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 1 by deleting subclause (2) at page 1 and by renumbering subclause (3) as subclause (2).

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, it is surely not our intention on this side of the House to filibuster this bill, but as a result of concern expressed by members on both sides of the House—though I do not speak particularly for those members sitting across from me—there is some question about the purport of clause 1. Firts of all, I believe that clause 1 is not only discriminatory but is taking a certain direction that we find difficult to follow at the present time. Clause 1(1)(e) provides that sponsors of programs like LIP, LEAP or programs of the federal government to create employment are entitled to unemployment insurance, notwithstanding that these sponsors are employers. Although the act states that self-employed persons are not within the jurisdiction of the legislation, an exception is being made of sponsors who may be employers.

Programs like LIP and LEAP are essentially short-term programs which have been brought in to help alleviate high unemployment in Canada. We on this side of the House have continually indicated to the minister and the government that we are not impressed with this sort of move, particularly when it is related to an eligibility period of eight weeks within the work force. A period of eight weeks in the work force is sufficient to qualify for unemployment insurance. Indeed, the minister has himself indicated that he is taking a look at the whole benefit structure. What this means to me is that the minister is looking into the eight-week eligibility period and perhaps even into the amount of benefit payable thereunder, whether it is too high or too low. Indeed, the eight-week period may be a disincentive to work. Bearing in mind the latest government statements concerning the possible dropping of LIP, LEAP and the Company of Young Canadians, we are wondering whether the right hand in fact knows what the left hand is doing.

● (1520)

My objection to this particular subclause is that it is discriminatory in that it indicates that a certain percentage of individuals within the work force shall be treated as self-employed and brought within the confines of the act. Of course, generally speaking the act disallows this. I will rest my case on that.

We on this side of the House have expressed our concern in no uncertain terms about the second paragraph in clause 1 in which we find there is a substitution by the words "employment of a person who is 65 years of age or over". Those are the words that are being substituted for something else. This appears to be the first step of this government in its fight against high unemployment insurance costs and it is put on the backs of our senior citizens. We resent this very much, because it seems to us that when this bill was first brought in there was every reason and every need for including our senior citizens in the work force. Senior citizens should be involved in the work force because of what they can contribute. In this way they could contribute to unemployment insurance up to the time they reach age 70, or until they opt out by applying for the Canada or Quebec Pension Plan.

It seems to me this government is trying to bring about the forced removal of our senior citizens from the work force. These are people who have made an excellent contribution to the work force of this country, without whose contributions we could not get along at this time. Notwithstanding what has been said on several occasions about appreciation for the work ethic not being what it used to be, if anyone appreciates the work ethic I suggest it is our senior citizens. The minister has said that the government is not trying to take them out of the work force; they can work if they want. He then limits them by saying that if they do stay in the work force, they will not be allowed to make a contribution to the unemployment insurance scheme or receive any benefits. It is this that we find unjust, harsh and callous. It shows complete disregard for the plight of those who are in the twilight of their years but find, for a number of reasons, they want to maintain an effective role in the work force. Many of these people find they must keep working because of the high cost of living coupled with double-digit inflation. It is only right that they should be given the opportunity to work when there are so many people in this country who do not want to work.

We on this side of the House register our concern in the strongest possible voice about this part of the legislation, because it is discriminatory. In effect, the legislation provides that the government appreciates involvement in the work force of those over 65, but it does not need them now because payments under old age security and the old age supplement have gone up.

I would ask the minister what this has to do with the fact that certain individuals want to belong to the work force and continue to make contributions to and get benefits from the unemployment insurance scheme, but through no fault of their own they find themselves unable

to work. These people should be given that opportunity, which has nothing to do with how much money they have paid in. I am not talking about that at all. I am trying to emphasize the part that it is time we considered what this government is doing to our senior citizens.

We heard the Minister of National Health and Welfare (Mr. Lalonde)—I will only digress for a moment—talk about spouses. What he said was discouraging and disillusioning to a lot of people between age 60 and 65. The minister, in effect, said that a spouse would be looked after, but he would not even recognize the fact that within the bill a spouse would, in effect, be either party to the marriage.

There seems to be a trend to put the blame on our senior citizens for a good many things. This is not the correct approach. We must be more concerned in seeing that these people are kept in the work force in order that those who wish to do so can still make a contribution. We believe that many of them still have a great contribution to make. The minister says that this program will cost the country in the neighbourhood of $120 million. What we should look at is the way in which this government is climbing on the backs of our senior citizens. This government and the minister should be more concerned with reducing high unemployment, the national rate now being about 7.3 per cent. A 1 per cent reduction in that rate would save a great deal of money, without picking on our senior citizens to whom we owe so much.

We are extremely worried about this kind of approach by the government. We do not understand the government's thinking, and we will not accept this kind of move. We on this side of the House register our concern and we will not go along with the government in this regard. We will not go along with the government's attitude in respect of our senior citizens or its attitude in respect of calling a sponsor under LIP or LEAP a self-employed person who, under ordinary circumstances, would not come within the confines of this act but will now because of this government's thinking. For these reasons I have moved that Clause 1 of the bill relating to these matters be struck.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, at this point we are debating report stage motions Nos. 1 and 2 at the same time. They are similar in that each of them would do something to clause 1 of the bill. As the hon. member for Hamilton West (Mr. Alexander) has pointed out, his report stage motion No. 1 would strike out clause 1 of the bill in its entirety. My report stage motion No. 2 would strike out only subclause (2) from clause 1 of the bill.

That may sound as though we are being very fine in our perception of the situation. May I point out that subclauses (1) and (3) of clause 1 of the bill propose to bring under unemployment insurance coverage certain individuals not now covered. In the main, those are persons who are sponsoring certain programs funded by the federal or by other governments. We suggest that if the individuals working in these groups are entitled to unemployment insurance coverage, the sponsors or the persons in charge of the project should also be covered.

It is for this reason we welcome the inclusion of subclauses (1) and (3) in clause 1 of the bill, and that is the reason I put down my report stage motion No. 2 in wording different from that of the hon. member for Hamilton West what I wanted to pinpoint was the need to strike out subclause (2) of clause 1.

● (1530)

One or more of my colleagues will have something to say about our position particularly as it pertains to subclauses (1) and (3), but I want to make, in a strong terms as I can, the case for the removal of subclause (2) from clause 1. Subclause (2) is the portion of this bill which would deny to persons 65 years of age or over any participation in the unemployment insurance program either as contributors or as recipients of unemployment insurance benefits. With the part of the speech of the hon. member for Hamilton West which dealt with this matter, I am in full agreement. I was glad to hear him speak as strongly as he did, and I hope that there will be many members from all parties in this House who will support our contention that the right to participation in unemployment insurance should not be denied to persons between age 65 and age 70.

As the previous speaker pointed out, one of the arguments advanced by the Minister of Manpower and Immigration (Mr. Andras) is that by making this change the government will save $120 million a year. That, of course, comes as a very cruel argument since in effect we are being told that the government wants to get out of some of its unemployment insurance financial difficulties by imposing this burden on senior citizens between age 65 and 70.

Sometimes it is argued that in this age bracket there are large numbers of persons who really do not want to work and wish merely to carry on their unemployment insurance participation to the point where they can then pick up benefits. I submit that is probably less true of persons between age 65 and age 70 than it is of persons in the lower age brackets. By the time persons have reached an age between 65 and 70 they have a pretty responsible attitude. This is a 67-year old saying it, so I can confirm it. I suggest that the notion of exploiting or abusing the fund is less likely to be the case with persons in this age bracket than in any of the other brackets below that age level. In any case, the Minister of Manpower and Immigration made it clear in the committee that it is possible for the government, with its extensive use of computers, to ascertain those who really do not want employment, those who are turning it down.

I suggest that that method of denying people unemployment insurance, while in some instances we think it is very rough, is much more fair than applying the refusal to a particular age group. The government says it can sort out the married women, the young persons or the persons of advanced age who really do not want to work and therefore should not receive benefits. If they can do that with those categories, they can do it with those persons between age 65 and 70. I think it is unfair to deny arbitrarily to everyone between age 65 and 70 the right to participate in unemployment insurance either as contributors or as recipients of benefits.

Therefore, because, like the hon. member for Hamilton West, I think this is most unfair, I hope the House will support my motion No. 2 for the deletion of subclause (2)

from clause 1 of the bill. I suggest that, coming at this time, this amendment is particularly unfair; indeed it is almost cruel. Up to a few years ago there was no age limit on the right to participate in unemployment insurance, but in the bill which became law in 1971 there was an age limit inserted, namely, age 70. That affected quite a few people. There were persons age 70 who were offended and annoyed by that provision, but at least time has gone by and people now know that when they reach age 70 they can no longer participate.

One of the things we felt was unfair about the insertion of age 70 in the law previously was that it caught people who had been contributing in the belief they would receive benefits if they qualified in other respects, and then suddenly any entitlement they might have built up was wiped out by the passage of that bill. While that act had its adverse effect on persons over age 70 at the same time at least it seemed to say that persons under age 70—in other words, persons between age 65 and 70—were protected. The law said that up to age 70 one could be a contributor to unemployment insurance, and that if one contributed and met the qualifications one could draw the benefits. So there are those persons between age 65 and 70 who are at work, who have been at work and who have been contributing in the belief that if they become unemployed they will qualify for benefits.

These people, who may have contributed for two, three or four years in that period between 65 and 70, suddenly on January 1, 1976, if this bill should become law, no longer will have that right. I do not think this right should be taken away, but if it is, I suggest it should be taken away gradually, with some notice that persons between age 65 and 70 who are now paying and have the right to expect to draw benefits will not have that right taken away from them now, but that by 1980 the change might be in order. As I say, I think this is unfair in general terms. We think it is unfair particularly to those persons who are now in the age bracket between 65 and 70.

One argument that has been used by the government in presenting this proposal is that persons in this age bracket are now taken care of by other government programs. Of course, those programs are favourites with some of us, such as the old age security program, the guaranteed income supplement and the Canada Pension Plan. These programs are coming along. They are a lot better than was the case when I first came to this chamber. However, it still is not luxury living even if one is on the full amount of all these various programs. There are many instances of persons who do need additional income, not because they are greedy old folks but because they have responsibilities, because they married late in life and still have children going to school or university, or because they have other family needs or have grandchildren they must raise. There are persons who, whether they like the work ethic or not, feel they have to work. I submit that it is not fair to say to them that from here on they must be satisfied with what they get as old age pensioners. I do not mind an adequate old age retirement plan taking the place of unemployment insurance and taking the place of employment for remuneration, but what I do not like is seeing these things taken away before there is an adequate plan in its place.

● (1540)

I remind you, sir, and I remind the minister that for all the tremendous progress we have made in the field of old age legislation—and I speak of that with some pride—we have not reached the end of the road. There is that very interesting document produced a short while ago by the Canadian Council on Social Development which assesses our retirement plans and says there is much that is yet to be done. One of the main elements in that volume is that the Canada Pension Plan needs to be greatly expanded and enlarged. If that were the case, if the Canada Pension Plan were paying pensions up to 75 per cent of the recent earnings of those who had left the labour market, that would be a different story from the case at present, where the most you can get out of the Canada Pension Plan is 25 per cent of the average of your recent earnings.

So I join in expressing approval of the progress we have made in terms of old age security, the guaranteed income supplement and the Canada Pension Plan, but they have not reached the point at which it can be said they are adequate and, therefore, people should not expect unemployment insurance coverage. This raises another question—and I am glad that not only is the Minister of Manpower and Immigration present but so is the Minister of National Health and Welfare (Mr. Lalonde)—regarding the attitude of our society toward persons between age 60 and 70. As you, sir, I hope, are aware, I am a strong advocate and a hard fighter for lowering the pensionable age to 60. I have made it clear in every speech I have made on the subject that what I advocate is that old age security and Canada Pension Plan benefits be available at the age of 60 for those who leave the labour market. In other words, I have not advocated compulsory retirement at 60 but, rather, legislation which would make it possible for those who wish to retire to do so.

It is in this connection that I am especially interested in the report of the Canadian Council on Social Development which argues very strongly that we should do something to remove the idea that there is any age at which one must retire compulsorily. That report has some critical things to say about pensions at 65 as we achieved them. Even though the report wants them improved, it points out that there has been a tendency to establish the proposition that people must retire at 65, are supposed to retire then, and that it is the ethical and social thing to do. I really think we have to adopt the more voluntary position that our legislation, both our old age pension legislation and our unemployment insurance legislation, should be designed to create a state of voluntarism, should be designed to make it possible for people to do either, that is, to stay in the labour market up to 65 or 70, if they wish, or to leave the labour market early.

I think one of the things that is wrong about this measure of the Minister of Manpower and Immigration is that it seems to harden the notion about the age of 65, namely, that that is a point at which you should not be working any longer, you should not be in the labour market and you should not be drawing an income other than what comes to you by way of pension of one sort or another.

As I have said, I support vigorously those parts of the report of the Canadian Council on Social Development which state that we should do some more thinking—and I

am prepared to include myself—as to what we do with regard to the decade from age 60 to 70. I do not like this measure because it flies in the face of thinking about the rights of people between age 60 and 70. You do not have to go back many decades to the time when those people had little or no rights at all. If they lost their jobs, as they did because of age, they had to depend upon their children or their relatives. They had no social life, no public life, they were left in the back room, they did not have clothes to wear to go out, they did not have car fare—in modern terms that is bus fare.

We have come a long way from that. Now we provide pensions that are more reasonable. We have medicare and free hospitalization for almost everyone, and certainly we have it for our older people. We have pharmacare in a number of provinces, and we have senior citizens' residences which make it possible for many of these people to enjoy accommodation which was unknown to them some years ago. That is fine. I am glad that we have made this progress. But there is a terrible tendency around here to think that because we have done something for older people—done a fair amount, if you will—that is the end of the story and there is nothing more we need to do. By this bill the government is in effect saying, "once you are 65, that is it. Enjoy your pension, enjoy your senior citizens' accommodation, your free hospitalization, medicare and all the rest of it, but forget it so far as being an active member of society or an active member of the work force is concerned."

I think it is wrong to do this. Certainly the whole decade from 60 to 70 should be a time during which persons, ought to have the choice either to work or to retire. What our legislation should do is, not fix things is some hard and fast way but make it possible for persons to exercise that choice. You do not do it if you say to persons at the age of 65, "You are not in the unemployment insurance picture any longer." That is what subclause (2) of clause 1 of the bill does. For these general reasons, and because I think that the whole proposition is unfair, I plead very earnestly that this House give serious consideration to this matter. Other colleagues of mine will have something more to say about subclause (1) and subclause (3) of clause 1 of the bill. An argument can be made against those subclauses such as the one made by the hon. member for Hamilton West, but I think they are far less important, either way, than what is in subclause (2) which cuts persons at the age of 65 off unemployment insurance. In many ways it is completely wrong and unfair.

As I said earlier, I thought the same about cutting them off at the age of 70, but it did not affect as many people and we did not have as many complaints about that action as we are getting now. There were not as many persons who had already built up some kind of entitlement because the law was changed, but there are many of them now who will suffer, when this bill goes through, the loss of entitlements for which they have paid. I think that for the government to bring the cut-off age from 70 down to 65 so soon after it seemed to make the age of 70 the age of retirement by law, is cruel and harsh. Therefore, I urge very strongly that the House support my report stage motion No. 2 which would cut subclause (2) out of clause 1 of the bill and leave Canadians the right to participate in unemployment insurance up to the age of 70.

[Mr. Knowles (Winnipeg North Centre).]

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I do not wish to unduly extend the debate on Bill C-69, on which I understand all hon. members apparently have agreed, so that we can adjourn on December 19 for the Christmas and New Year recess. However, when a few weeks ago I raised in the House the question respecting the government's intention to deny people aged 65 to 70 any benefit entitlement, I was told my question would be answered in the House when this debate on the bill took place. Well, I trust the minister can give me a proper explanation for that amendment to the Unemployment Insurance Act. However, having said that, I would remark that I had the occasion yesterday to meet with a number of people in that age bracket; three quarters of them are still gainfully employed and were concerned about the Unemployment Insurance Act amendment to deprive them of their benefit entitlement should they decide to retire.

Mr. Speaker, I can imagine those people remain on the labour market because they need a higher income to meet their commitments, because I guess with their old age income pension and even the supplement, their income would not equal what they get through their present employment. All that is depending on the fact that they have commitments which force them to go on working and the fact that their physical condition enables them to do so. However, if they are granted that benefit entitlement for three weeks only, they also will obviously become unable to contribute to the plan.

I would however like the government to consider very seriously the possibility of proceeding gradually, because it would be unfortunate that a great number of people who would have contributed to the unemployment insurance fund, and never or hardly ever derived any benefit from it, would be bereft in such a radical way of their right when they were in a position to take advantage of the legislation. I think the government would be wise to proceed by stages, so that those people would be informed beforehand of those changes and might prepare for them accordingly.

I would not, Mr. Speaker, elaborate on the statements made earlier by the two hon. members who spoke before me, because they actually pointed at problems which I consider to be extremely serious, and the arguments put forward with respect to the proposed amendments in clause I confirm the fact that those amendments in my opinion are quite appropriate because in this way we want to ask the government to review its position so as not to effect a too sudden change for those people.

Here is the second point it would be time to point out. If we finally decided to lower to 60 the age of retirement and old age security on a voluntary basis, which means that those who want to keep on working could do so, we should not exclude others from the benefits of the legislation which Canada can afford to provide to more people. I think there should be some link between the proposed amendment to the Unemployment Insurance Act and the Old Age Security Act. That being said, Mr. Speaker, I must sincerely support the amendments moved by the two hon. members and which appear as motions Nos. 1 and 2, because I think they are justified.

I hope that before completion of the study of the bill, the minister will consider the comments and ideas that hon. members will have expressed and that the government might be able to reverse its stand or still give explanations so convincing that all hon. members, I mean Parliament, will have to accept the bill.

● (1550)

[*English*]

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I rise at this time to say a few words in support of the motion introduced by my colleague, the hon. member for Hamilton West (Mr. Alexander). I take some exception to the suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles) that only one of these subclauses be deleted. It has been mentioned that one subclause proposes to bring another category of workers under the provisions of the Unemployment Insurance Act, and the other proposes to delete a group of individuals from participation in the plan.

I suggest that to bring an additional number of individuals under the provisions of the act at a time when the minister is using the argument of restraint, and to remove some others, is rather paradoxical. When we think of those who are to be brought under the provisions of the act, those who are sponsors of projects under programs conducted by the Government of Canada pursuant to any act of parliament,—some of these programs are LIP, OFY, CYC, and possibly others which may be introduced from time to time—it seems rather strange, at a time when the minister is contemplating disposing of such programs, that he now sees fit to propose that the sponsors of such projects be brought under the provisions of the act.

While these programs have done a great deal of good in many areas and in many respects, they are only palliatives at best. The problem is unemployment. These programs were brought about to provide employment opportunities for those who were unable to obtain employment, and if the government paid more attention to solving the unemployment problem in a long-term fashion rather than by these piecemeal programs, greater credit would accrue to it.

Some hon. Members: Hear, hear!

Mr. Patterson: In budget debate after budget debate, when the former minister of finance was bringing down budgets, he proclaimed the necessity of solving the unemployment problem and stated that the government was determined to do this. However, like some other promises, particularly with regard to inflation, we find that instead of getting better, the unemployment problem is getting worse, which just shows the complete inadequacy of the plans and proposals of the government to meet this very pressing problem in Canadian society.

Instead of bringing out these piecemeal programs and trying to put sponsors of projects on the UIC rolls, the government should be doing something to solve the overall problem; then we would not be faced with the necessity of doing so. It has been pointed out that these programs are short-term. LIP is an example of one of these. They are short-term programs; those who were engaged for a very short period of time would qualify to take their place on the Unemployment Insurance Commission rolls and receive benefit. It seems that when we tie this in with the additional provision of deleting those over age 65, it is cynicism at its worst. I would say in passing that programs such as winter works and winter employment expansion which were used in this country at one time were very effective in many respects, much more effective than even some programs that have been mentioned today.

● (1600)

I should like now to refer to the second proposal included in clause 1, the removal from participation in unemployment insurance of individuals over age 65. In the debates that took place in this House at the earlier stage of the bill, the minister stated that the unemployment insurance plan was not a short-term pension plan. Like a great many Canadians I could take exception to that and say that is just about what it is in many respects—a short-term pension plan. The minister also argued that other provisions had been made for people over 65 years of age, but I say they are still inadequate to meet the needs of our senior citizens. When the Canada Pension Plan was introduced, it was pointed out in the course of debate that it was an extremely poor investment program and that, considering the small returns or the benefits received after 45 or 50 years of service, it was not really worth while. I know improvements have been made to the plan, but I suggest it is still not a very good investment as far as the workers of this country are concerned. If you tie in with that the basic pensions that accrue to senior citizens today, I do not think they would justify the removal of this group of individuals from participation in the unemployment insurance program.

We think of those who would be affected by this measure, those who have made a tremendous contribution to the development and building of this country. I know it is almost trite to say it, but it is a fact that they have made a tremendous contribution. Now we find they are going to be put on the shelf. They can take work, and although they have been paying unemployment insurance for many years, if they are past age 65 they will not be able to receive benefits from the scheme. This is an insult to those individuals in the declining years of their lives who are without adequate resources and are unable to provide for their later years. One of the reasons they are unable to provide is that the government has allowed inflation to eat away their savings to the point that they cannot meet their needs. I think these people deserve better treatment.

I agree with the hon. member for Winnipeg North Centre who said that people should not be required to retire at any age. Here we have individuals who have gained a vast store of experience, knowledge and skills that would be of benefit to our society, but we are placing them at a disadvantage in saying they may continue to work but must not expect to participate in the unemployment insurance program. Put the two things together: people are allowed to participate after a brief period of employment, and another group of people have worked for years and years, many never claiming unemployment insurance, and now they will be told they cannot qualify for it.

Mr. Speaker, I have great pleasure in speaking in favour of the motion proposed by the hon. member for Hamilton

West because I believe this clause should be deleted in its entirety.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my contribution will be brief. The point has been made by other participants in this debate, but I should like to say a few words on how this issue strikes me in theory and in practice. With other members of the House, I have given a considerable amount of thought to the merits and disadvantages of this measure. I clearly understand the motive and the reasons of the minister and the commission in proposing the measure. Evidently it has the great advantage that it cuts down on all sorts of administrative control: you decide that any Canadian in the labour force above this age will no longer be a participant in the program, and therefore he or she is no longer the object of intensified administrative control. From the point of view of practical administration, therefore, and from the point of view of saving money on the program, this would appeal to anyone concerned with the difficulties of administration.

On the other hand, if one looks at the total issue and tries to avoid being drawn into rhetoric on the whole subject, it does not seem proper to exclude from the right to participate in this program anyone who wishes to be in the labour force, whether they be young or old. It seems to me that the way to make sure no one abuses this particular measure is to apply the same controls that we apply daily to everybody who has to turn to the Unemployment Insurance Commission for service because of reasons beyond their control. We all know this is done very effectively in the field every day, every week and every month of the year. If it can be done for people below the age of 65, surely it can be done for people over the age of 65.

Mr. Alexander: Right.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Caccia: There are people of this age still with family commitments because they started a family late in life. In addition, we have people who have assumed family responsibilities because of the sudden inability of parents to take care of their children and this falls to the lot of the grandparents. Then we have immigrants who work in this country and have not reached the residence requirement of ten years needed to qualify for the old age pension at age 65. A variety of persons in the age group over 65 are bona fide workers with attachment to the labour force, and they ought not to be disqualified from this universal right of contributing to and drawing from this general fund.

Therefore, it seems to me that if the administrator feels there is an abuse in this particular area—and the hearings in committee and the speeches made so far do not seem to indicate that this particular group abuses the scheme more than any other large group—this kind of screening and control would best be carried out by the commission itself. The liberal approach to this question would be that we do not look at the age or sex of the person, or any other consideration of that kind. We only look at the willingness of the person remaining in the work force and seeking an alternative job when the opportunity arises.

[Mr. Patterson.]

● (1610)

It does not disturb me that if a person in this age group, having worked for 40 years and having contributed for a long time, is allowed under the law to draw benefits for up to 52 weeks. Actually, this kind of consideration, retribution or a lengthy period of benefit-drawing, is an indicator to us as to the kind of program we should have. We should have a program of rewarding people in the labour force, one that would allow them to draw from the fund in proportion to the number of months, years or decades of contributions they have put into it. This seems to be the notion that you pick up when you speak to the workers.

If a person has paid into the fund for 31 years, he does not understand why he should not be able to draw a considerable amount from it. He wants to know why a person who has contributed for only eight weeks can draw almost as much from the fund as him if he becomes unemployed. It is perceived in the field by those for whom the scheme has been designed as a measure that is not quite fair. Those aged 65 or over could draw for up to 52 weeks if they were so entitled and if no alternative job could be found, provided search for a job has been demonstrated by the action of the claimant. I would have no objection to that at all. However, I do see the merit in tightening up the administration to ensure that those not legitimately searching for a job but just trying to beat the system would not be allowed to do that.

The legislative route with a legislative measure of this kind draws a very deep line between those below age 65 and those above it. It should, instead, be approached through a kind of administrative measure as we find it possible in the daily operation of the commission for people who are below that age.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise to make a few comments on this clause. Everyone, of course, is for those who are 65 years of age. According to what the minister told us in committee, last year there were 17,500 in this group who were drawing benefits. According to labour force statistics, the average number of unemployed was 7,000. It is hard to believe that this government can be so hard up at this time in Canadian history. They have been preaching the just society and talking about being compassionate Liberals, yet they pick on those in this country who are over 65, completely wiping them out of the unemployment insurance plan.

How much money would it involve? The Canadian Council on Social Development—this was referred to by the hon. member for Winnipeg North Centre (Mr. Knowles)—made a study of those over 65 years of age. I am sure members opposite know they found that one-half of those people were living in poverty. Not only do we have a regressive tax system from which to fund this unemployment insurance plan, but we are "doing in" those over age 65, so much so that Mr. Baetz, executive director of the Canadian Council on Social Development, said:

—I have a good deal of heartburn over removing the age 65 and over from coverage. We all know that many of this group have effectively retired, the majority of them, it might be stressed, compulsorily, not necessarily of their own volition. We are also aware that some employers, in collusion with aging employees, have violated the spirit of unemployment insurance. Nevertheless, we must seriously ask whether

it is sound social policy to throw the baby out with the bath water, to use a poor metaphor for this age group, by excluding all of this age group from further coverage. Should we not try again to find a formula that would accommodate those 65 and over who continue to have a bona fide attachment to the labour force? Surely, the principle of personal choice should be exercised here to the greatest degree possible.

With deference to the minister, I am sure that those in the gallery and others have done a considerable amount of study in the past month on the present situation in Sweden with regard to this problem and the handling of old age security. That is still on an experimental basis; it has not yet passed into law. As my colleague, the hon. member for Winnipeg North Centre, stated, there is a voluntary aspect to the Swedish program.

We should not be cutting off from the labour force those 65 years of age. At one end of the scale we are keeping people in college for many years; they are cut off from the labour force. This, of course, results in better employment statistics. By cutting off all those aged 65, taking away their incentive to work by refusing to allow them to collect unemployment insurance benefits even though they have contributed to the fund, this also shows up in the employment statistics. As far as the government is concerned, it affects the revenue picture.

I strongly suggest that we listen to people such as Mr. Baetz. We do not like hearing this because most of us, especially those in this House, live a rather affluent life. We, of course, have heavy expenses. However, as long as I have my seat in this House I want to repeat that we have constantly to remind ourselves that in 1951, 20 per cent of the families of Canada, those on low incomes, were getting 4.4 per cent of the total economic pie, or the total GNP pie. In 1975, the bottom 20 per cent are receiving only 4 per cent. As far as distribution of income in this country is concerned, 60 per cent of the people are only getting 33 per cent of that pie, while 20 per cent are getting 44 per cent. I am proud of Canada, but I am not proud of that fact. I am not proud of the Minister of Manpower and Immigration (Mr. Andras) who would treat those 65 years of age in the way they are being treated in this bill. That is a shameful, scandalous, Scrooge-like policy on the part of this government.

● (1620)

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I would like to make it clear at this point that I rise to speak in favour of the amendment put forward by the hon. member for Winnipeg North Centre (Mr. Knowles). Certainly I could not support the sweeping amendment of the hon. member for Hamilton West (Mr. Alexander). We have on this side of the House begged, cajoled and urged the government to embark on some kind of program—any kind of program—which would stimulate job opportunities in this country.

One of the direct ways it has gone about doing that is with LIP and with LEAP. We could make criticisms of those programs, but in effect they have attempted to get down into the municipalities and have attempted to create employment. Any move on the part of the government to include coverage under the unemployment insurance plan for the sponsors of LIP or LEAP programs—I stress here that I am talking about the sponsors of LIP and LEAP—to get them into the work force, possibly giving them some experience in that area so that they might find fulfilling jobs in the future, would meet with our approval.

The clause which my hon. friends and I are concerned about, Mr. Speaker, is clause 1(2) which deals with 65-year olds. I think it appropriate that the bill has come before the House at this time of year, just ten days before Christmas. There sits Scrooge. I can just see him in his dream. Instead of the clanking of chains, he hears the creaking bones. As far the minister is concerned and as far as his hon. friends over there are concerned, with the exception of the hon. member for Davenport (Mr. Caccia), they wish these 65-year olds would just go into a corner and get away from them. They don't want to be bothered. They just wish they would go away and be unemployed on their own.

An hon. Member: You don't know what you are talking about.

Mr. Rodriguez: Members over there from the province of Quebec have a great deal of unemployment to deal with. I can imagine the number of 65-years olds who are involved in that high rate of unemployment. But they do not care. Any Liberal who can stand in his place and support the government on this particular clause has got be sleazy, mean and miserable like the minister.

Some hon. Members: Hear, hear!

Mr. Rodriguez: The question which occurs to me is why the government, at the advice of its nabobs, has decided to bring in this measure. Having sat in the committee, having looked around at those sittings and having seen all the aparatchiks from the Unemployment Insurance Commission sitting around the room—at least 100 of them—I would like to commend the minister on his one-man attempt to solve the unemployment problem. All we have in evidence is what the minister tells us concerning the reasons for which he has brought the measure forward. The first reason he gives is that we have so many other social programs in the country. He tells us we have the Canada Pension Plan, the old age security plan and the guaranteed income supplement plan. He says in effect, the unemployment insurance program is not designed for people who are 65 years of age or over; it is not intended to be an income supplement for 65-year olds.

We tried to tell the minister during the committee hearings that nobody in our party had suggested we wanted to see the Unemployment Insurance Act used as an income supplement program for 65-year olds. The minister fails to realize, and his nabobs fail to realize, that people of 65 years and over who must still work should still have the choice as to whether they wish to stay under the coverage of the plan or not. After all, Mr. Speaker, it is a plan sponsored by the people of Canada and it discriminates when it prevents people who are 65 and over from participating in the coverage.

The fact of the matter is that the programs the minister talks about—the old age pension, the Canada Pension Plan, the guaranteed income supplement—provide workers of 65 years and over with a monthly benefit which is less than 39 per cent of the average industrial worker's earnings. These benefits were never intended by the government to

provide adequate income as the Minister of National Health and Welfare (Mr. Lalonde) himself noted in an address made late in 1973, I quote his words:

> The Canada Pension Plan was not set up to provide full retirement income. Rather, it was viewed as the middle tier of a three-tier system; old age security, the Canada Pension Plan and private pension benefits.

This means that older workers must depend on a private pension to provide an adequate income. Statistics Canada has reported that less than 40 per cent of wage and salary earners have a private pension plan. We tried consistently during the committee hearings to bring home to the minister and to the government that when a worker becomes 65 years of age and becomes unemployed, he does not retire from the work force. He must seek work, Mr. Speaker. It is economically important that he continue to seek work. People do not all look forward to the day when they are 65 and will stop working to retire to the cottage, or to Florida. They must continue to seek work. Many of them still have dependants who need support. What the minister has proposed is to cut them loose from the protection of the Unemployment Insurance Act. What a miserly thing to do, Mr. Speaker.

What the minister has admitted—one of his nabobs, the Unemployment Insurance Commissioner, admitted it to the committee—is that there is some problem about the administering of this group of people. He states that the average number of weeks a person of 65 years or over collects benefits is 31 weeks, representing the sum of $2,800. He says this proves something of a problem for the administration. Surely we do not make legislative decisions based upon what is wise for the administration. Obviously, the minister and his nabobs do.

A 65-year old who is unemployed and seeking work and meets every other requirement of the act is not just a statistic to be administered. Surely we must not allow these people to be thought of in such cold and calculating terms. People in the age group 65 years and up find it very difficult to obtain work. The minister admits this is so. Nevertheless, provided they fulfil the requirements of the act, that is to say, are available for work, capable of working and are actively seeking work, they should be eligible for the benefits under any plan set up in Canada to benefit Canadians who meet the requirements. What the minister has coldly and calculatingly done is to eliminate them from that particular piece of government legislation.

We are not thinking of just a small group of people. Statistics Canada reports that the participation rate in the work force of those 65 to 69 years of age is 29 per cent. So we are not talking about a small group of people. The minister has said of these people—he has inferred it, and hinted—that they are dishonest, that they want to continue to collect private pensions and collect unemployment insurance benefits when they are not actively seeking work. But what the minister is really telling us is that his department is really incapable of enforcing the act. It came out during the committee hearings that the commission is able to segregate groups of people by sex and by age and, having done that, can enforce the regulations with respect to specific groups of people.

Mr. Symes: It is on the computer.

[Mr. Rodriguez.]

Mr. Rodriguez: Certainly it is on the computer. Well, then, surely they can do it for those aged 65 to 69. If it is possible in one instance, it is surely possible to enforce the act with respect to the 65 to 69-year olds, as it is, I would hope, to enforce the act with respect to any other age group and not just selectively on women or on 60 to 65-year old women. We should be able to enforce the part of the legislation that provides that a claimant must be available, capable of working and actively seeking work. Surely it is not beyond the capability of the legion of administrative nabobs that I heard from during the committee hearings to do this.

• (1630)

Mr. Symes: It is easier to make the elderly scapegoats.

Mr. Rodriguez: The hon. member for Sault Ste. Marie (Mr. Symes) says that it is easier to make the elderly scapegoats, and it is. It is easier for the minister to do that under the guise that it is administratively difficult to enforce this provision. Indeed, he argues that since we have all these other "rich" social programs, the 65-year olds really do not need to collect unemployment insurance.

Have you noticed, Mr. Speaker, how the government restraint program is operating? It is beautiful the way the government restrains itself. Certainly there is no restraint concerning all the nabobs who were before the committee; I am sure they were making an everage of 25 G's a year. The restraint is for those least able to defend themselves, and there are three groups in society who fall into this category—children, women, and the 65-year olds and over. In this particular case the minister is picking on the 65-year olds and over.

An hon. Member: Shame.

Mr. Rodriguez: Certainly it is a shame. The minister comes from the same sort of area of the country as I come from, where it is difficult for a 65-year old to find work. Such a person is unemployed. He goes out to seek work and is conforming with the act in every instance, but he cannot find employment. The minister is telling this person that he has to live on his Canada pension, old age security and GIS, which may bring a grand total, in all its generosity, of about $3,000 a year. That is how the government restrains itself.

The government says it wants to save about $125 million. This does not include the $31 million that is due almost immediately, in 1976, to those who, under the government's amendment, become eligible for the three weeks' retirement benefit which I call a bonus. According to the minister, the government is saving, under the plan, about $89 million. It is of interest to note that when the legislation having to do with retirement of members of the Senate was amended to set 75 years of age as the retiring age for senators, those already sitting in the Senate were excepted. So far as we are concerned, this is restraint in the wrong area.

If the government were really interested in saving the unemployment insurance fund money, it would take action to increase productivity in this country. If it were interested in raising tax revenue in order to extend present pro-

grams, the answer, surely, is to reduce unemployment by even 1 per cent. If this were done, the consequent savings would be three times the saving that will be realized by the government's restraint program as it affects the 65-year olds and over.

Mr. Symes: Five times.

Mr. Rodriguez: Certainly five times. We on this side of the House are not alone in recommending deletion of the part of the clause having to do with the 65-year olds. The Canadian Labour Congress, which represents a vast number of those organized into trade unions, has advised that this is a regressive step at this point in time. Unemployment continues to rise with every monthly report from Statistics Canada. The Canadian Council on Social Development representatives appeared before the committee and also recommended that this amendment be not carried. But the minister is not interested in these opinions. He has already had advice from above, literally and realistically, and he intends to follow that advice.

If there is any doubt about the restraint program, the minister makes provision later in the bill for that particular clause to become effective January 1, 1976. This is why we have called this the Christmas present from the Liberal government to the 65-year olds and over. It is of interest to note that at least one member on the government side has had the courage, foresight, humanity and sensitivity to realize that what is being put forward in the legislation, by his colleagues on that side of the House, is indeed regressive and hits the 65-year olds and over very hard.

Mr. Symes: He is obviously a man of principle.

Mr. Rodriguez: He certainly is, and when the time comes for the vote on this amendment he will stand and be counted with the progressive forces in this House. As I have said, the minister hopes to save the plan some money, and I have suggested that he can do this by embarking on programs to create employment.

There is one other point to be made. This party has not suggested in any way, either inside or outside the House, that any person who does not conform to the act should collect employment insurance benefits. We must stress that point. The minister will later rise in this House and say that somehow or other we on this side of the House want these people to continue to rip off the unemployment insurance system. That is his own idea; he thinks that somehow or other the 65-year olds are dishonest. That is not our view on this side of the House at all.

We have said consistently that the minister can enforce the act. He has benefit control which, in effect, can sort out those 65-year olds and over who are not available for work and those seeking work actively and are capable of work. The minister should be progressive in dealing with this problem. It is surely not beyond the technical and administrative ability of the nabobs in the Unemployment Insurance Commission to separate legitimate claimants under the act from the illegitimate. That is what we said in committee as well as on second reading. This is what the government should be doing, rather than wiping out holusbolus the 65-year olds as if they did not even exist.

I know that the minister is going to reply, "We certainly don't deny the 65-year olds the right to work, and there is nothing in the amendment that prevents them from seeking work", and so on and so forth, ad nauseam. That is what he said in committee, as though he had been programmed to say that by the Unemployment Insurance Commission officials, who will be well taken care of when they are 65. They will not have to worry about collecting unemployment insurance, unlike those who have no pension plan through their employer but must depend on continuing to look for work, and to take work if it is offered, beyond the age of 65.

As I have already said, we are concerned with the 65 to 69-year olds presently active in the work force or who will become active in the work force. The minister tried to hide behind the argument in committee that somehow this gives the 65-year olds security. It is all one government and it is responsible for the old age security program in this country, the Canada Pension Plan and every other piece of social legislation at the federal level. The minister should not be allowed to duck or to escape his responsibility as a minister of this government to keep progressive legislation on the books, making it more progressive, and not regressive as he has suggested in this particular clause.

● (1640)

I urge hon. members of this House to stand and be counted when the opportunity arises, saying to the minister and his nabobs in the commission, who I might say are ill-advising him, that we do not want those 65 years of age and over, who must work and conform to the act, treated in such a shoddy manner by a government which starts restraint with others rather than with itself.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I already had the opportunity on second reading to say what I thought about that bill concerning individuals 65 years of age and over. Really I am surprised to see that the minister and his advisers have not seen fit to make proper amendments to that bill. It is truly unfair to try to have those regulations passed for the good reason that 65-year-old persons who have contributed during 30 or 34 years to the unemployment insurance fund are still anxious to work and take advantage of all the benefits of a legislation passed several years ago. And suddenly without any warning, the government makes such a decision.

I had even suggested that if only to lessen the after effects of this clause of the legislation we could at least do as we did when the old age security act was amended and begin at 69 years of age, then 68, 67, 65. I do not know why such a procedure cannot be used, because at least the older people would not be so taken aback with that unfair legislation.

But no, it seems the government wants to have this piece of legislation passed just as it is. I have also had on numerous occasions the opportunity to say that the main clauses of this act are always intended to protect the fund and, in the present circumstances, I would very much like to hear someone prove the contrary, because according to information provided us in committee, I find what they mean by that subparagraph "repercussions on implementing conditions". Indeed, these repercussions mean: dis-

qualification of persons, 65 years or over; net reduction of costs: $120 million; persons involved, 170,000. What a beautiful Christmas gift to these 170,000 persons. Really, to draft such a legislation, one has to be totally devoid of any humanitarian sense; this is total nonsense. Estimations of basic cost for the year 1976, taking into account a 7 per cent unemployment rate, these estimates are based on that calculation. The 170,000 persons involved include 63,000 active claimants, aged between 65 and 69 who will no longer receive any benefits. And we seem to rejoice in this.

One would think that the technocrats who drafted this famous legislation and made the calculations submitted in committee greatly rejoice in depriving a group of workers who have contributed all their life to the maintenance of an unemployment insurance measure that was passed by this House, in this Parliament of Canada for all Canadians. And now they are told: You are not entitled to it any more. There will be some old age security legislation to replace this program advantageously. I shall say that it is not entirely true. If we take a look at some particular cases, we can see that many 65-year-old people are still willing and able to work and still have some responsibilities. Those who married late for instance and still have children at school.

Then, they need a relatively high income. Two lumbermen came to see me at home last week. They are brothers one is is 66 years old and the other 68. They had finished their work in the bush. They were in cracking form; they had cut many cords of wood during the summer and they asked me what they could do under this legislation and what they could expect from it. I told them: Make an application, the legislation is not passed yet and I hope that the majority of members will study thoroughly this clause and take it off from the bill. Those were the suggestions I made. And then, what surprises me most, is that hon. members have recently received, like ourselves, requests from several old age groups. I have here the recommendations sent by the secretary of l'Association des fonctionnaires à la retraite du Québec Inc. and it was, I am sure, sent to every Liberal and Progressive Conservative member from Quebec. How come those people did not take this seriously? Yet, I think it is clear in the second recommendation that the proposed amendment is unfair and discriminatory toward people aged 65 or more and who do not have a sufficient income to live decently.

During the current period of inflation which this government contributed to create, those people are told: You do not need benefits any more. Manage as best you can with your income, with the procedures you will have to follow to get several things under the old age security legislation. Of course there were some improvements in that respect, but in too many cases it is not enough and it all depends on the commitments those people have. They are still working and they expect to get eventually unemployment benefits as they have contributed to the fund for many years. But this was sent to all members; they are certainly aware of that matter.

From what is recorded in the report, I should be quite surprised if English province residents had not done the same thing. Hon. members of the Liberal party and Mr. Minister, you are in the right position to meet senior citizens and inform them that you have adopted legislation to favour them. It is easy to congratulate the aged and wish them the best of health, even when it is necessary to adopt bills which will deprive them of all the benefits of the current legislation. To conclude, I dare hope hon. members will wake up and vote in favour of the proposed amendment to strike out from the unemployment insurance bill this clause which would deprive people 65 years of age of the benefits they should rightfully collect.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when listening to the enthusiastic remarks of my colleague, the hon. member for Nickel Belt (Mr. Rodriguez), I wondered what part of the administrative anatomy a nabob was—either a serf in the department or at a higher level—and I had to go to the dictionary to find out. For that reason, I assume other persons who may be reading his remarks will wonder at which level nabobs are to be found, particularly in view of the fact the description has been used so often.

● (1650)

There are before the House in these amendments two ideas which are unrelated in terms of interpretation. One I can wholeheartedly endorse. The other I would support with some reservations. The amendment of the hon. member for Winnipeg North Centre (Mr. Knowles), which would withdraw the restriction in respect of unemployment insurance benefits for persons between age 65 and 70, would seem to be worth considering in light of the remarks of the hon. member for Nickel Belt in terms of the Unemployment Insurance Commission being in a position to sort out these people.

As has been pointed out by other speakers, many of these people must work, for personal reasons. There are no universal, supplementary pension plans in industry throughout the country that would enable a large number of these people to take advantage of any private insurance program. Therefore, what we really are talking about is the social security of the people of our nation which would go into effect at age 65, or in some instances at age 70.

We are not talking about any great sum of money. The amount involved is not what is considered the normal retirement standard of 60 per cent of one's income. Many hardships are placed on a number of people in this category and there is some unfairness, as has been pointed out by previous speakers. Two things bother me about the reduction in the age in respect of unemployment insurance. First, many people are not mentally tuned to retirement at age 65. I think this represents a larger category than those who may of necessity require unemployment insurance beyond age 65, or employment, as the case may be.

I think one problem in this country has been our inability to educate or to train people for retirement. People spend many years in a job which has become very routine, with which they are familiar, where they have friends and where in fact they spend a large part of their waking day. When that situation changes and a person finds himself in his home for 24 hours a day, he finds mental and physical problems develop. I do not think many of our senior citizens have been able to cope with this situation.

The minister, coming from an area where there were large bush operations and where the railroads were a major factor, will remember there has been a long history of political decisions having been made. These decisions were made in respect of fishermen, bush workers and railroad workers. These were political decisions which in my opinion represented abuses of a program which had been in effect. Previous speakers have referred to people who have come to count on being able to work beyond age 65. In many cases these people have never been unemployed, but they are now at an age where sickness may develop and when it may not be easy for them to find a job.

It may be necessary for many of these people, for the first time in their lives, to face unemployment, yet with this legislation they would have no protection in the form of unemployment insurance. I am not, and never have been, in favour of a situation like that in respect of railroaders who were granted six months' or a year's pay after retirement and were told they were entitled to draw one year's unemployment insurance benefits. That is a fact. They were never bothered, because the Liberal party looked at the number of seats that party held in railroad areas and made that political decision in exactly the same way the decision was made in respect of Newfoundland. That decision was also made in respect of northern Ontario, for the same reason, relating to the bush workers.

There have been some bad principles. I think that was a bad principle. It is a principle I cannot support. I do not support the idea that if one pays into unemployment insurance for 40 years, one is entitled to receive his money back. I do not think such a person should get the money back. I do not expect to get back the money I have put into life insurance policies. There will not be any more money there than I have paid in, in any event. One is insured for a specific purpose. Unless that event takes place, one does not receive any benefit. One insures one's house for fire protection, and unless it burns down one does not receive any money. One insures his automobile against an accident, and unless there is an accident there is no payment. I do not think one should get back the payments one has made over a long period into the unemployment insurance fund.

On the other hand, if for 30 years you have been paying premiums and expect some coverage, and then the government decides it does not want you in the labour force after age 65, the government may not be taking into account some of the problems you have. You may have married late in life and may have two or three children still at school. The Prime Minister (Mr. Trudeau) will be receiving the old age pension before his children are in high school.

An hon. Member: He does not need it.

Mr. Peters: Probably he does not need it. Some people, however, believe that what one does for himself one should do for everybody else, and vice versa. The Unemployment Insurance Commission can sort out the situation on its computer and determine whether or not a man has a good work record. The commission also has the advantage of being able to ask the type of questions they ask everybody in my riding. I am surprised that the people in the riding of the hon. member for Hamilton West (Mr. Alexander) are not having any difficulty with unemployment insurance. In my area, where there are ten times the number of people seeking jobs as there are jobs, every day someone is cut off unemployment insurance because he will not travel 200 miles to look for work.

Mr. Alexander: Mr. Speaker, I do not wish to intervene at this time, but I must point out that the hon. member is incorrect when he says we do not have any problems in respect of unemployment insurance in my riding. Of course we have problems. At the same time, I must state that the staff of the Unemployment Insurance Commission have been good in this respect and we have been able to solve many of the problems. The hon. member should not mislead the House by saying we do not have any problems. That is my only comment.

Mr. Peters: I certainly accept that statement. I apologize. In listening to the hon. member, I had the impression that really the benefit control problem was not a problem any longer and that with respect to persons 65 and over it would not be a factor. I am sure the benefit control officer would be able to handle the problem in respect of people over age 65. I do not suggest it would be easy, because we know abuses would take place.

● (1700)

Many people want to get their money back. I am not in agreement with that. But I know of many persons between the age of 65 and 70 who, if they are not out looking for jobs and actively seeking work, are not able to support their families and must go on welfare assistance. This applies even to people beyond the age of 70. I know of many cases of people over the age of 70 who have to seek welfare assistance because employment is not available to them. I suggest that this could be worked out and that protection could be given to people at that age who are actually looking for work and are capable of taking it. There are many people who do not qualify because their health is not good, but there are many others in my area who are denied any kind of provincial or municipal assistance simply because they are not declared unemployable, and if they do get employment they cannot receive these benefits.

I should like to say a few words about the amendment moved by the hon. member for Hamilton West to delete the whole of clause 1, which would affect the sponsors of LIP and LEAP projects. I agree that that clause should be deleted. However, it seems odd that we should include a qualifying sentence stating: "An individual referred to as the sponsor of a project in paragraph (e) of subsection (1) shall, for the purposes of this act and the regulations, be deemed to be an employer in respect of his remuneration from the project."

I assume that this presumption is put in there to indicate that he is not a government employee, yet he is self-employed. He dreams up the project and he administers it. As soon as the project is over, he can draw unemployment insurance benefits and start writing his application under the Opportunities for Youth Program or one of the other programs, and then perhaps qualify again. This can go on almost continuously. It would come under the same catego-

ry as perennial students. They will be perennial sponsors of projects which they initiate. This is like planning your own business but not being allowed to decide when it ends; that is up to the ones who administer the project.

I am inclined to agree on the necessity to eliminate the whole clause rather than just the part contained in paragraph (2)(a), because I believe that although there are abuses, in the case of LIP and LEAP projects there is no need to establish under the act another category which I consider to be a political category. People in that category can provide employment and receive money for the project, and when the project is completed they can draw unemployment insurance. In many cases the length of employment may last no longer than the life of the project.

I hope the minister will give some consideration to amending the provision on retirement at the age of 65. It may not be so important in rural areas and in some of the urban areas where it is not hard to find a job, but it is of major concern in my area and in some other parts of northern Ontario where many people 65 years of age and over should be given special consideration.

I suggest that if the minister, who is also responsible for Manpower, wishes to do something in this field, he might allay some of my fears and the fears of some of my colleagues, and certainly those of some people who are about to retire, by considering the provision of a period of training before retirement. The aim of such a training program would not be the time of employment but, rather, the time of retirement. We might then be in a much better position to recommend to persons over the age of 65 that they retire, with the knowledge that the benefits they receive will be sufficient to allow them to maintain a reasonable standard of living.

Other countries which face this problem make sure that the pension plans provide in the range of 50 per cent of the salaries or wages earned in the five or six best years of employment, but we in Canada, despite the claim to the contrary of the Minister of National Health and Welfare (Mr. Lalonde), certainly do not come close to meeting the needs of many of the people who retire in this country. I hope that hon. members on all sides who are concerned with Canadians who have to retire at the age of 65 will give favourable consideration to the amendment before us, so that these people will find it less difficult to retire if they are allowed to do so gradually rather than being dumped off, as the hon. member who preceded me indicated, knowing that this Christmas will be the deadline for them.

* * *

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received from Government House, which is as follows:

[Mr. Peters.]

Government House
Ottawa, December 15, 1975

Sir,

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 15th of December, at 8.00 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

● (1710)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of the adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—External affairs; the hon. member for Winnipeg North Centre (Mr. Knowles)—Social security; the hon. member for Egmont (Mr. MacDonald)—Regional economic expansion.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed consideration of Bill C-69, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

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

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion of the hon. member for Hamilton West (Mr. Alexander)?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75 (11), the recorded division on the proposed motion stands deferred. Accordingly, this would also postpone a division on motion No. 2, which will stand deferred.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, are you not going to put the question on motion No. 2?

Mr. Deputy Speaker: We are having a procedural difficulty. The hon. member will agree with me that if motion No. 1 had been accepted by the House, there would not be a clause 1 in the bill, so motion No. 2 could not be put. We have to wait and see what happens to motion No. 1 before we can make a decision on motion No. 2. If the hon. member agrees with this, we will defer putting the question on motion No. 2. This is my opinion, but I am prepared to receive the opinions of hon. members.

Mr. Knowles (Winnipeg North Centre): I just thought the point should be made so that we will have the right, when the vote on motion No. 1 is taken, then to call a vote on motion No. 2 if motion No. 1 is defeated.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: There is one other point I wish to bring to the attention of hon. members. When he was in the Chair, Mr. Speaker suggested some groupings but he forgot to say anything about motions Nos. 3 and 5, appearing in the name of the hon. member for Hamilton West (Mr. Alexander), which attempt to achieve the same purpose, to exclude people under sentence from the provisions of the act. I suppose the hon. member would agree that both of them could be debated together, and that one vote on motion No. 3 would automatically decide motion No. 5. Is that agreed?

Mr. Alexander: Yes, Mr. Speaker.

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Hamilton West (Mr. Alexander) moves:

Motion No. 3.

That Bill C-69, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 4 by striking out lines 22 to 24 inclusive at page 2.

Motion No. 5.

That Bill C-69, an act to amend the Unemployment Insurance Act, 1971, be amended in clause 5 by striking out lines 19 to 21 inclusive at page 3.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in prefacing my more concrete remarks I would say, without imputing motives, that any hon. member using his mind or his mouth to vote against this must have rocks in his head. It is my conclusion that, through implication, the government has indicated that crime does pay. Let us consider a hypothetical situation, a person who is a law-abiding citizen who, through the good graces of the work ethic, acquires an eligibility period and then goes sour for some reason or another. I cannot imagine a situation whereby he may go sour—but he then goes to jail.

The government says that after he comes out of jail he is entitled to pick up his eligibility period, because the government has now extended it to cover the amount of time he spent in jail. When I think of what the government has done with respect to our senior citizens, by indicating that it wants to remove them from the work force and thus from taking advantage of unemployment insurance, and on the other hand then saying that if a person commits a crime—and I am not talking about the merits—he is to be allowed subsequent to his release to pick up where he left off, I wonder what kind of nonsense this is.

Some hon. Members: Shame.

Mr. Alexander: The government now says there should be a moratorium. If a chap goes to jail, I do not hear mortgagees saying that they are very sorry and that because he has gone to jail they will not call for payments. Can the minister advise me of any organization or institution which has moved into this area? Of course he cannot. I do not hear of banks, as a result of their loans which demand repayment, saying, "Gee, we are not sorry you stole from 'X' bank and not from us. We appreciate that, and as a result of this kindness we will not call for the repayment of the loan while you are in jail." They do not give a moratorium; you pay a penalty.

I get a little worried about this government. If a person, through a quirk of fate, ends up in jail, finance companies still want their money. All these institutions to which I have just referred demand payment and there is a penalty involved.

Mr. Rodriguez: That is ridiculous.

Mr. Alexander: There is my socialist friend with his big mouth. The hon. member, I am sure, will debate this point in his usual—

Mr. Rodriguez: Wise way.

Mr. Alexander: —wisecracky way, and he will be given that opportunity; but in the meantime I should like to finish. I am not trying to filibuster this bill because, unlike my hon. friend, I will make my point in a very short space of time.

Some hon. Members: Hear, hear!

Mr. Alexander: However, the hon. member will go on for days being repetitious and bringing in a whole lot of nonsense and extraneous material, and we will all have to sit and listen.

As I was saying, I think I have made my point. We must be concerned about what this government is attempting to

do. We are all concerned about the rehabilitation of criminals. But why in the Unemployment Insurance Act? The minister and his officials stated that they received some representations. Representations from whom—the ordinary Canadian? Could the minister accept this if he saw his mother, a senior citizen, his father or his uncle in the twilight of their lives, being kicked out? If the minister thinks Canadians will accept this, that is a lot of nonsense. I plead with the minister to bring some sanity back into the Unemployment Insurance Act in terms of being at least fair and just.

There are not very many people involved in these two clauses. I think I have made my point. Under the circumstances, there is no way the minister can justify an amendment to the Unemployment Insurance Act which indicates to me and to all reasonable people that crime does pay, at the expense of our senior citizens. Therefore, I hope that after the minister gets a blast from one or two more speakers from this side of the House, he will ask that this clause be stood. The minister shakes his head. Shame. If the minister says no without giving this any further consideration, I think he ignores the reality of the matter.

Mr. Baldwin: The government is looking after its friends involved with dredging companies.

Some hon. Members: Oh, oh!

Mr. Alexander: Let the record show that the House leader on this side is a very wise man.

Some hon. Members: Hear, hear!

● (1720)

Mr. Alexander: He understands the situation here. As I said, we do not want to hold up this bill unnecessarily, and we did have a good crack at it in committee. The minister understands our position. He understands that he has made a mistake. We would only hope by accepting that he could be wrong he would have second thoughts about bringing in these two amendments, particularly when it is noted what he has just done to our senior citizens. He plays Santa Claus to those who are incarcerated and plays Scrooge when it comes to our senior citizens.

My friend from Spadina (Mr. Stollery) laughs, but I know that a man of his worldly travels, with the understanding and compassion that he has expressed for senior citizens, knows that these two clauses are nonsense. If he is the kind of man I think he is, he might want to take part in this debate. But perhaps he has been misled like the rest of the backbenchers over there. They have a lot of sympathy with what we say, but they never get the opportunity to be honest with themselves.

Some hon. Members: Hear, hear!

Mr. Alexander: They might be honest and say, "My God, the hon. member for Hamilton West is right on because he knows the direction the minister is taking." Mr. Speaker, we have to be extremely concerned about the principle the minister is espousing. He is calling for a moratorium on matters in which criminals are involved in terms of unemployment insurance. I think this is vile, odious and obnoxious and I hope that after listening to me he is convinced that I am right. I ask my colleagues on the other side to break away from partisanship, to bring a sense of justice to this place and vote in favour of the amendments related to clauses 4 and 5.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have known the official opposition for the last three years—such men as the hon. member for Fundy-Royal (Mr. Fairweather), the hon. member for Egmont (Mr. MacDonald) and the hon. member for Hillsborough (Mr. Macquarrie). Their leader is a sensitive man who recognizes the need for reform, and that is why this particular amendment is put forward by the hon. member for Hamilton West (Mr. Alexander). We could never accuse him of being Santa Claus, but surely we could expect that his party would live up to the ideals of sensitivity and reformation and would correct past bad practices, enabling those who have been incarcerated because of their mistakes to fit into the fabric of society much more smoothly than in the past.

My party argues against this particular amendment. We recognize that prisoners who have been incarcerated probably have a difficult time obtaining employment. Surely any kind of society that would want these individuals to be reoriented into society must extend to them the things which we recognized prior to 1971. This is nothing new; it was part of the act prior to 1971. Surely these people are injured; surely they are suffering because of their own faults and their mistakes against society. Certainly these are not involuntary acts, as the minister said in committee, but many were made in the full knowledge of what was being done. But it is up to society to ensure that after a sentence has been served, double punishment is not being imposed. They have been behind bars, so surely we do not want to deny them support when they are released, whilst they try to get back into society.

I know the Neanderthals on the far right would find that a repulsive suggestion, but I appeal to the more enlightened minds in this House. I call on them to defeat this amendment of the hon. member for Hamilton West and to treat it as it ought to be treated, with immediate defeat.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I want to say just a brief word. The clause under discussion is a very positive and liberal measure and the minister ought to be congratulated for it. Hon. members with good memories know that clause 4(b) resulted from debates held during private members' hour over the years. If I am not mistaken, during those debates a number of members from the Conservative side spoke in favour of a measure of this kind being included in any future amendment of the Unemployment Insurance Act. The argument was made, and quite rightly, that if you contributed to the fund for a certain period of time and then happened to get into trouble with the law, it would make sense that upon release from prison you could draw income support until you found employment. That is the aim of this clause.

We are not only in favour of the clause, and in opposition to the amendment proposed by the Conservative party, but we congratulate the minister for having included it in this bill.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, it is always unwise for a member to enter a

debate that he has not followed as attentively as those who sat in committee, but I cannot help wanting to add a word or two. I would put them in the form of a question and perhaps the minister could respond next time he intervenes.

The point made by my friend, the hon. member for Hamilton West (Mr. Alexander), is born out of concern that we seem to be licensing unlawful activities. We all know that this country has a cadre of habitual criminals. It would seem that if this particular clause were accepted, a habitual criminal could establish his benefit rights and then for some reason find himself in jail. He can establish his right to benefits, be in jail for the winter, warm and comfortable, and pop out when there is no job opportunity in his trade classification or general work area. When such opportunity does become available, he could again provoke police authority and end up back in jail. Indeed, by wilful decision he could spread this over two or three years.

● (1730)

Mr. Alexander: Only up to two years.

Mr. Forrestall: Two years. If it is in fact suspended, you could have a new benefit period and supplementary period extending over three calendar years without any difficulty at all. This is not just a technicality. Anyone familiar with the comings and goings in our magistrates courts could, on the basis of their experience, find situations where this could occur. Should something like that occur it would be a travesty of justice, which is the point made by the hon. member for Hamilton West.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, my remarks will be very short; however, I rise to say that I support the amendment moved by the hon. member for Hamilton West (Mr. Alexander), because I do not think it is normal to find in one piece of legislation provisions which deprive senior citizens of benefits, and other provisions which encourage those who were convicted. So, if I understand the law correctly, somebody who has been in prison for, say, two, three or four months, and who has already contributed to the unemployment insurance program, would be eligible for benefits when he gets out of prison. I do not see anything in the bill which could prevent it. That means, therefore, that the law would protect criminals who have been sentenced to more than a year, that is 52 weeks. That is going a little too far. I do not really agree with that clause of the bill. I am willing to try to help those people by all means of rehabilitation possible, to try and find ways of giving them jobs. But, now we are encouraging them. The previous speaker said that there are people who manage to stay in a warm place during the winter and work for a few weeks—eight at least—to be eligible for benefits. Therefore, I support the amendment moved by the hon. member for Hamilton West.

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I listened with considerable interest to the hon. member for Hamilton West (Mr. Alexander) and other members on this proposed amendment. Somebody in an aside comment stated that the hon. member for Hamilton West was thinking of a filibuster. I do not think this is so. He is, of course, often full of bluster. Perhaps that is what was meant by the aside. Anyway he and I have had various exchanges of this sort.

I can defend the basic amendment in Bill C-69. I think it is probably a bit opportunistic to make the comparison he made about restoring this provision, as was pointed out by the hon. member for Nickel Belt (Mr. Rodriguez), that was in the previous act. That comparison to the other amendment we were debating a few minutes ago is odious, not relevant, and a bit politically opportunistic. In fact I wonder if that was not the reason for the attack on this particular amendment in Bill C-69.

As the hon. member for Davenport (Mr. Caccia) indicated a few minutes ago, in the debate of several years ago when this matter came up, it was supported in almost every corner of the House, certainly in the corner occupied by the hon. member for Hamilton West and his colleagues.

There has been very considerable representation over the past two or three years, since the amendments of 1971, by provincial governments and many other organizations concerned about them. We are not rewarding crime. We are not making it pay off by any stretch of the imagination. We are simply saying that people who run afoul of the law after having earned unemployment insurance entitlement through legitimate work activity were, under the amendments of 1971, when the clock started ticking from the time they were incarcerated, losing their entitlement even though that incarceration might have been for a short-term sentence. We are simply providing 104 weeks in which that entitlement can be maintained. When they come out of incarceration they have to answer to all of the obligations under the act such as a job search, willingness to accept suitable work, and so on.

The amendment proposed in Bill C-69 is a decent amendment. It does not in any way encourage crime. It simply restores a position long established and accidentally left out of the 1971 amendments.

I would ask for the support of hon. members in denying the amendment of the hon. member for Hamilton West and leaving as is the amendment in Bill C-69.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

Some hon. Members: On division.

Mr. Deputy Speaker: I declare the motion lost on division. This disposes of motion No. 5 at the same time. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I would at this time be ready to receive some argument as to the acceptability of motions Nos. 4 and 6, as suggested by Mr. Speaker in his comments at the opening of report stage on this bill, or any other suggestion, unless hon. members prefer that we suspend the consideration of motions Nos. 4 and 6. I leave it to hon. members.

Mr. Blais: Mr. Speaker, I rise on a point of order. It seems that the arguments are not too prolonged and could be disposed of at this time. I see that the mover of this motion is here.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, what I have attempted to do with Section 18 of the act is to extend and expand the classes to which the extension of the clarifying period would apply. This is not foreign to this particular section.

Those on legal strike or attempting to go into self employment and fail were covered with this section prior to the 1971 changes. As the minister stated about those who are incarcerated, these people were left out when the new act came into being in 1971. What I am attempting to do is put back into Section 18 something which had been included prior to 1971.

I cannot quote reams and reams of Beauchesne and back it up with procedural arguments. I am asking that this motion be allowed to be debated and voted. Surely the members of this House can decide whether they would like those two groups included in Section 18. If members are permitted to move motions to delete certain classes, it is only logical that they be permitted to add classes. This ought to be a two-edged sword that can cut both ways for members of parliament.

● (1740)

I do not hold myself to be an expert on parliamentary procedure. I prefer to leave those matters to my hon. friend from Winnipeg North Centre. Nevertheless it seems only common sense that if we can move to take out certain classes from the bill we ought to be permitted to move motions to add classes.

Mr. Andras: Mr. Speaker, it seems to me the hon. member for Nickel Belt (Mr. Rodriguez) has just established what is unacceptable about this motion. He says quite candidly that it adds classes extending the Unemployment Insurance Act as amended in 1971—classes which were certainly not contemplated in Bill C-69. In his opening comments about the admissibility of certain of these motions the Speaker referred to citation 246(3) of Beauchesne's fourth edition. I believe this citation clearly demonstrates that the motion is unacceptable on the ground that it does add classes and constitutes an additional financial burden. Beauchesne reads as follows:

> The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down *once for all* (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

On those grounds, Mr. Speaker, motions No. 4 and 6 are not acceptable.

Mr. Deputy Speaker: Order. I would first of all bring it to the attention of the hon. member for Nickel Belt (Mr. Rodriguez) that it is not the responsibility of the Chair to change the rules. It is the duty of the Chair to apply the standing orders and to abide by the precedents and practices established. I have no objection to the hon. member making the point that the powers which private members enjoy might be extended, but I would point out that to accomplish this the basic rules of the House would have to be changed, even the constitution, since the proposal the hon. member puts forward would seem to imply setting aside precedents which have been followed for many, many years, and the provisions of the BNA Act.

The hon. minister, it seems to me, has correctly cited the precedents. Citation 246 in Beauchesne is clear on the subject, and if the hon. member wishes to consult another author he might read Erskine May, page 508 in the eighteenth edition, where it is stated that an amendment is out of order if it is irrelevant to the subject matter or goes beyond the scope of a bill.

The hon. member knows that in accordance with our practice any expenditure of money has to be accompanied by a Royal recommendation. When one looks at the bill one finds that the Royal recommendation does not specify the enumeration of persons to be included or excluded but is attached to a measure in which one finds these specifications. So even if the hon. member is tempted to make the argument that the Royal recommendation is sufficiently open to include the persons he wishes to include by his amendment, in my view the Royal recommendation is limited by the bill, the hon. member's proposal would go beyond the bill, and would create an additional burden on the finances of the country.

I would refer the hon. member also to page 510 of May, eighteenth edition, paragraph 12, where it is stated that amendments or new clauses creating public charges cannot be proposed.

In the light of all these considerations the Chair must reject the motions as proposed by the hon. member. Motions four and six cannot be accepted.

As suggested by Mr. Speaker, we should now proceed to the consideration of motions 7, 8, 14 and 15. It was suggested that these be debated together and that they might be disposed of by a division on motion No. 7. Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Mr. Alexander moves Motion No. 7:

That Bill C-69, to amend the Unemployment Insurance Act, 1971, be amended by deleting Clause 6.

Mr. Deputy Speaker: Mr. Rodriguez moves Motion No. 8:

That Bill C-69, to amend the Unemployment Insurance Act, 1971, be amended by deleting Clause 6.

Mr. Deputy Speaker: Mr. Alexander moves Motion No. 14:

That Bill C-69, to amend the Unemployment Insurance Act, 1971, be amended by deleting Clause 12.

Mr. Deputy Speaker: Mr. Rodriguez moves Motion No. 15:

That Bill C-69, to amend the Unemployment Insurance Act, 1971, be amended by deleting Clause 12.

Mr. Alexander: Mr. Speaker, I have had some delightful news from my House leader. I may not reveal it at this time because it is extremely confidential but I can say it is most encouraging in terms of Christmas—I will put it that way. Therefore I do not intend to take up much time.

An hon. Member: Is Christmas coming this year?

Mr. Alexander: What we are attempting to bring home to the government is the unacceptability of the amendments it has produced with respect to the poor. This amendment of mine affects those at the lower end of the income scale.

● (1750)

Section 24(1) of the Act provides as follows:

The rate of weekly benefit payable to a claimant for a week that falls in an initial benefit period

(a) in the case of a claimant without a dependant is an amount equal to sixty-six and two-thirds per cent of his average weekly insurable earnings in his qualifying weeks or twenty dollars, whichever is the greater,

Pausing there, this provision applies to a person who, without a dependant, is entitled to unemployment insurance equal to 66⅔ per cent of his insurable earnings. Then in the same provision, the government, in its wisdom, said, "Just a minute, we must be more concerned, rightly or wrongly, about those who have dependants and are faced with financial hardship". The key phrase there is "who have dependants". Therefore section 24(1)(b) went on to provide:

—in the case of a claimant with a dependant is an amount equal to

(i) seventy-five percent of his average weekly insurable earnings in his qualifying weeks or twenty dollars, whichever is the greater—

In other words, in 1971 the government said the amount for single people is 66⅔ per cent of their average weekly insurable earnings and for those with depedants 75 per cent. This could have been questioned in the first place in terms of pure insurance. But this is not the only area in which the government moved away from the principle of pure insurance; sickness and pregnancy were added, I think as a result of the International Labour Organization convention which declared that these events amounted to the involuntary removal of a person from the work force. The insurance scheme, as it were, was destroyed at that time, even though I have continued to bring home to the minister that we want a program that is insurance oriented, not one combined with welfare or one that destroys the work ethic.

In Clause 6 of this amending bill the government is providing as follows:

Subsection 24(1) of the said Act is replaced and the following substituted therefor:

"24.(1) The rate of weekly benefit payable to a claimant for a week that falls in an initial benefit period is an amount equal to sixty-six and two-thirds per cent of his average weekly insuranble earnings in his qualifying weeks or twenty dollars, whichever is the greater."

In other words, everyone will now receive the percentage of 66⅔ per cent in the initial benefit period, and I wonder why. Upon questioning the minister we find that the amount of money to be saved is something like $30 million, though to be fair to the minister this is out of a total of some $3.75 billion. I think the minister thought I was going to say $4 billion.

Mr. Andras: It is $3.4 billion.

Mr. Alexander: In the long run I think it will be $3.75 billion. In other words, to make it look as if the government is credible in its attack on the high cost of unemployment insurance we are going to shaft the poor. The government has forgotten all about the reasoning used by the minister's predecessor, the Postmaster General (Mr. Mackasey), in 1971 as to why this provision was necessary. He related it to the cost of food and shelter. We all cast a quinzzical eye on that move, but nevertheless it made sense.

Things are even thougher today as a result of the government's archaic approach to the fight against inflation, especially now that we have a bill that will not work. The dependants who require this extra money are going to be the ones hardest hit. At the same time there is going to be an increase in premiums. We do not like the flip flop of the government in this regard, which says that because dependants get $20 per child under the Family Allowance Act they no longer need nor should they require benefits under the Unemployment Insurance Act at an extended rate in the initial benefit period.

I say that the payment under the family allowance scheme has nothing whatsoever to do with unemployment insurance. You pay your money and you get your benefits, as they say in the street, and that is as it should be. For some reason the minister wants to save money. He may be saving money, but at the same time, with the environmental malaise that a lot of these people suffer from, further payments will have to be made under our social assistance plan since the minister feels that what was right for 1971 is wrong for 1975.

I see it is now six o'clock, so may I call it six o'clock, Mr. Speaker?

Mr. Deputy Speaker: Order, please. It being six o'clock I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

Unemployment Insurance Act

AFTER RECESS

The House met at 8 p.m.

Mr. Speaker: The question is on motion no. 7 which, for the purpose of discussion, has been grouped together with motions nos. 8, 14 and 15, and it stands in the name of the hon. member for Hamilton West (Mr. Alexander).

Mr. Alexander: Mr. Speaker, when I called it six o'clock I was trying to bring home to the government as vividly as possible the error of its ways in respect of the amendments to the Unemployment Insurance Act which deal primarily with fighting the high cost of unemployment insurance on the backs of the poor.

I attempted to indicate that the reason the bill stands as it does is that the government, back in 1971, had some compassionate feeling for those faced with the high cost of food, shelter, and clothing. At the time the government felt that if a person had a family or dependants that person should be recognized as such. Now, as I stated earlier, it seems that the government is taking from the poor in order to give to those who are pregnant.

The government's reasoning now seems to be that it does not want the scheme to be a welfare scheme and is trying to move in the direction of a pure unemployment insurance plan or an insurance scheme. Let me point out that so far as this principle of unemployment insurance is concerned, it is destroyed once the government moves in the direction of recognizing pregnancy as a sickness for the purpose of the plan. It is interesting to note that the government did not move in this regard in violation of the principle, but rather in favour of pregnancy, making coverage even more flexible. It seems to me there is an undue amount of hardship being placed on those who are at the bottom of the economic ladder, at this particular time of high inflation and high cost of living, making these people feel the pinch even more.

What is even more strange is that the clause, as I understand it, subject to check by the minister in his usual style, is talking about $5 per person. This is the type of saving the government anticipates when it is referring to savings of some $30 million.

I was impressed by one or two briefs that were presented to the Standing Committee on Labour, Manpower and Immigration when it dealt with the bill clause by clause. We heard from the Council on Social Development, represented by Mr. Reuben Baetz, and we also heard from the Canadian Labour Congress and the Canadian Manufacturers' Association. I express my appreciation to those people for having taken part in what I felt at the time, and now know, was a very significant debate.

Let me read just one part of the brief of the Canadian Labour Congress. I realize I may be repetitious in this regard, but I want hon. members to know how concerned this group is about the moves the government is engaged in at this particular time. The brief states in part:

> In a time of rapidly rising prices it is inconceivable for the government to remove this protective clause from low income earners who are struggling to maintain themselves and their families. The loss of 25 per cent of their original earnings is bad enough without the government knocking them even further down the economic ladder.

[Mr. Deputy Speaker.]

It seems to me the government is attempting to achieve restraint by taking $5 per week from these unemployed with dependants' earnings at a maximum of $3,200 per year only. That is when the circumstances are the most dire and the recipient could most use the money. In light of the fact that the new principle of unemployment insurance has been destroyed in any event by the government recognizing that sickness and pregnancy benefits should form part of unemployment insurance, then it seems to me that it is morally wrong at this time to remove this very small bit of protection for those who are with family, if you like, and who are counting on this amount of $5 a week.

● (2010)

In conclusion I would state it is wrong for the government to take from the poor—I do not say this lightly—and give to prisoners in order to bring about a facade in terms of amendments to the Unemployment Insurance Act. These small reforms dealing with the aged and the poor mean nothing whatever. What should occur is that the government should move in an area whereby it can initiate policies that would bring about a satisfactory employment level. We will get into that later when it proposes to move the bench mark up to 5.6 per cent on an eight-year moving average.

This is where the government must move if it wants to make money. It must bring down the interest rate and bring down the eligibility period whereby someone can become eligible for unemployment insurance after being involved in the work force for a period of eight weeks. The minister should direct his attention to this particular clause. The fact is that after being in the work force for eight weeks one can continue for a period of 40-odd weeks as a recipient of unemployment insurance. Surely if the minister wants to do something for the Canadian people he should direct his attention to those two areas. He should convince his colleagues on the front bench to bring about a meaningful policy to reduce unemployment and, second, to move in on the eligibility period. Then I am sure he would get all the support required on this side of the House.

In the meantime I would ask the minister to pay particular attention to the speakers who will follow me in this regard because I am sure I speak for not only those on this side of the House but for many of my other colleagues who, for one reason or another, will not stand up and give voice, or be counted as my hon. friend says.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, once again we witness an attempt on the part of the government to embark upon restraint. Once more we embark on restraint. Earlier today we saw the initial move toward restraint. Who was the government restraining then? It was restraining those people 65 years of age or over, eliminating them from benefits under the Unemployment Insurance Act. Now we find another group being restrained. One would think that perhaps this is a very powerful group. We find it is a group of Canadians who, through no fault of their own, have become unemployed. We should ask ourselves what group it is which receives the extended benefits and the dependency rate under the Unemployment Insurance Act. Is this group composed of those who have

earned the top buck while working and before becoming unemployed? Let us find out.

The people in this group are the claimants whose earnings were less than one third of the maximum, $185 a week, or in other words less than $62 a week, because the scheme is based on a percentage of earnings. Therefore workers with families, particularly those on low incomes and in severe difficulty, even when employed would face extreme hardship.

Let us look at these workers who earn $62 a week or less. One of the statistics provided by the minister shows that this particular group of workers which will become unemployed represents .2 per cent of the total claim load. It is interesting to note that when we go to the extended benefit period that particular group becomes 7.4 per cent of the total claim load.

Mr. Speaker: Presumably the House will want to resume at this point.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Deputy of His Excellency, the Governor General, desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Mr. Speaker: Hon. members will want to know this is probably Colonel Fortier's last appearance in this role.

Some hon. Members: Hear, hear!

Accordingly, Mr. Speaker, with the House went up to the Senate chamber.

● (2030)

And being returned:

Mr. Speaker: Order, please. I have the honour to inform the House that when the House did attend His Honour the Deputy to His Excellency the Governor General in the Senate chamber, His Honour was pleased to give in Her Majesty's name the Royal Assent to the following bills:

Bill C-79, Appropriation Act No. 4, 1975—Chapter No. 74.

Bill C-73, An Act to provide for the restraint of profit margins, prices, dividends and compensation in Canada.—Chapter No. 75.

Bill C-2, An Act to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code.—Chapter No. 76.

Bill S-27, An Act to amend the Canadian Overseas Telecommunication Corporation Act.—Chapter No. 77.

Bill C-76, An Act to wind up The King George V Silver Jubilee Cancer Fund for Canada and to authorize the sale of the assets and securities of the Fund and to transfer the sale proceeds and the balance of moneys to the National Cancer Institute of Canada.—Chapter No. 78.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed consideration of Bill C-69, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, and of motions Nos. 7, 8, 14 and 15 standing in the names of the hon. member for Hamilton West (Mr. Alexander) and the hon. member for Nickel Belt (Mr. Rodriguez).

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, as I was asking before I was so rudely interrupted—

Some hon. Members: Shame!

Mr. Rodriguez: —who are the latest victims of government restraint? I am most concerned about this because tomorrow the government will announce its restraint program, and what it is prepared to do to cut back its expenditures so that it can show to the Canadian people that it is about to fight inflation. If this legislation is an example of what we saw earlier this afternoon when the government brought in an amendment to the Unemployment Insurance Act to remove 65 year old people from contributing and collecting under the act, then we will see another aspect of that restraint program. I fear what is to be announced tomorrow in terms of the sacrifice the government is prepared to make on social legislation and on social programs in its so-called fight or great war against inflation.

Who are these people who are getting the dependency rate? We are told by the government and by the Unemployment Insurance Commission nabobs who are in the gallery that these are the people who earn $62 or less. They are the people who qualify for the dependency rate provided they have one, two, three, or more children. I was pointing out earlier that the minister told us in committee that this group of persons who are collecting the dependency rate represent .2 per cent of the total claim load. It is interesting to note that in the extended benefit period it jumps to 7.4 per cent of the total claim load, and that is an important distinction to make because these are the people who are the poorest of claimants and who obviously are the longest on unemployment insurance.

It is absolutely imperative that if these people are spending so much time on unemployment insurance, there ought to be some make up for the cost and the upkeep of their dependants. We might ask what was at the back of the mind of the government when it brought in this clause in 1971. Surely there must have been a reason for it in the first place. I realize that the government does not need reasons, but all we can go on is the report which was prepared for the particular minister at the time. It is interesting to note that it is called "Some background notes on the unemployment insurance program", and this deals with the dependency rate. These are the reasons, and I quote:

Studies indicated that the benefit structure should permit the unemployed worker to meet at least non-deferable expenses while in search of new work. Economists estimated that about one third of a family's expenses could be deferred for a short time and it is for this reason that benefit payments in the initial stages of the program are set at two thirds of a claimant's average weekly earnings.

In the later stages, benefits can be raised to 75 per cent of average earnings if the claimant had dependants, because non-deferable expenses become more critical if unemployment persists.

That is important in light of the information the minister provided in committee, that in the extended benefit period that group grows to 7.4 per cent of the total claim load. This report went on further to state the following:

As well, the low income groups, i.e. those earning $50 a week or less at the time they become unemployed, are permitted the dependency rate from the outset of their claim in recognition of their lesser capability to absorb a drop in income.

These are the people against whom the government is proceeding with its restraint program. It is not proceeding against the powerful but against those who are the lowest paid while they are working and those who have dependants to maintain.

What reason could the government have for bringing in this kind of amendment at this particular time, that is, the measure to reduce everyone to sixty-six and two-thirds? The government has said that since it has improved family allowance benefits, etc., there is no real need any more for this kind of dependency allowance. Let us consider that for a moment. One has to be a pretty hardhearted chiseller to chisel poor people out of a dependency rate.

The government would have our 100 per cent support if it were really attempting to do the kinds of things which ought to be done in terms of fighting inflation. For example, all it has to do tomorrow is to bring in a bill to suspend the 7 per cent increase for members of parliament and the maximum of $2,300 or $2,400, and this party and this corner of the House would certainly support that. That would really be action against those who have in our society. But what does the government bring in? It brings in this kind of clause which takes a real swat at those who can least defend themselves.

As I was saying, what is the argument? Family allowances are up. Let us consider that. The grounds for this change are the increases since 1971 in family allowances, which for a family with three young children, have risen from $18 to $66 per month. Considering the fact that family allowances were low in the first place, that they are now taxed, and that the increase amounts to an additional $3.71 per child per week at a time when inflation alone has increased the costs per child for a low income earner by a minimum of $4.50 per week, there is absolutely no justification for the government to reduce the benefit rate to unemployed workers with dependants, many of whom are at or below the poverty level. What does the government say? It says it has brought in family allowance increases. I have just demonstrated that the family allowance increases are a sham. How many times can the government use that as an excuse?

In my hands I have a press release regarding the extension of the fluid milk subsidy. The government announced on August 16, 1974, that the fluid milk subsidy would be dropped. It was being dropped because it had increased the family allowance. Time and again subsidies that would help the poor people have been dropped, and the reason given was that the family allowance had been increased. How many times can the government use that argument, Mr. Speaker?

● (2040)

Earlier this afternoon the hon. member for Cape Breton-East Richmond (Mr. Hogan) pointed out very effectively that we have done nothing to redistribute wealth. After a hundred odd years of fiddling with the Income Tax Act we have not approached that problem at all. We find that the poor people of this country are no richer than they were a hundred years ago. There has been no appreciable change in the redistribution of wealth, and every time the government has to fight inflation or tighten the belt it is the poor people who suffer. The government can spend millions and millions of dollars on new aircraft for NATO, and hundreds of millions for leasing tanks and armoured cars, but it does nothing to eliminate poverty. Instead it brings in this kind of amendment and asks us to make decisions with respect to cutting the dependency rate for those who earn $62 per week or less.

It is not coincidental that at the same time this House approved Bill C-73, the anti-inflation bill, the government was fiddling with the Unemployment Insurance Act and redefining what is an acceptable rate of unemployment. From 1968 to 1972 every time the government had to fight inflation it was on the backs of those least able to defend themselves.

The Prime Minister (Mr. Trudeau) was proud to boast that he was prepared to let the unemployment rate rise to 6 per cent and that he was going to hang tough. It has risen beyond that and it is very difficult to bring it down, but what does the government do? It does not bring in measures to improve employment opportunities; it brings in measures which will only create hardship for those who can least defend themselves.

What else has the government said in committee about the dependency rate? It said that if a person applies for a job he is not paid on the basis of whether he has dependants. There is a pay scale and he fits into that. The minister wants to extend that argument to the act. We know that the act is not an insurance act, Mr. Speaker, because it is not based on any actuarial study. We can insure fishermen and lumbermen, but we do not pay rates according to groups and the incidence of unemployment in those groups. There is a rate and everybody pays it. It is not an insurance scheme but more a wage replacement scheme in case of unemployment, and in many cases it can be predicted when unemployment will occur, yet there is no differential in the rates.

The argument that the unemployment insurance scheme is not a bona fide insurance scheme is not a good one. While it may hold true in the work place that a person should not be paid on the basis of his number of dependants, surely when the government sets an earnings limit of $62 it cannot then tell the workers that they are going to lose 66⅔ of their weekly income. How in heaven's name does it expect to come to grips with the disparity in incomes by proceeding that way?

Figures presented by the minister to the committee showed where most of the unemployment insurance money goes in this country. A great deal of unemployment insurance benefits goes to the maritimes, for example, and similarly in parts of Quebec a great deal of money is transferred from the central fund of the Unemployment Insurance Commission directly into the hands of people in areas of high unemployment.

We have said, and it is a truism indeed, that the answer to the problem of the Unemployment Insurance Commission is unemployment itself. But the government is not addressing itself to the problems of unemployment in Canada. Bill C-73 does nothing about unemployment, it does nothing about the 82 per cent of plant capacity we are using at the moment, and it does nothing about the 700,000 people who are idle. Instead the government proposes to redefine the unemployment insurance rate and to tackle the old unemployment insurance act.

We in this party object to the removal of the dependency rate from the Unemployment Insurance Act. The reasons given for a dependency rate when the act was introduced in 1971 are as justifiable today as then. Those who are receiving this dependency rate need it. From my experience, those who are on benefits, those who come to the M.P.'s office for help with the commission are the poor people, the least educated, those who have great difficulty reading and understanding the act and the application forms. People who are wise and can handle the reading level of the application form and the act can certainly handle themselves when it comes to obtaining benefits.

This particular aspect of the government's proposal is one which we cannot support. We feel that removing the dependency rate can only acerbate the problem and, as a result, we recommend support for motions Nos. 7 and 8.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to make just a few comments on the motions that are now before us, that is motions nos. 7, 8, 14 and 15, which have been grouped together by authority of the Chair. Mr. Speaker, a few moments ago, the hon. members of this House went to the other place where Royal Assent was given to a few bills. This is an interesting and impressing ceremony that should urge us, as members of Parliament, to think more about our responsibilities and to consider very carefully the various bills that will become laws after they receive Royal Assent, laws that all Canadian taxpayers should obey and respect.

Therefore, it is our duty to thoroughly discuss all bills before us at their various stages and to amend them, if need be, in the most efficient way to make them as sound as possible and consistent with our way of life, so that Canadians who are called upon to respect and observe the laws passed by Parliament may have absolute confidence in them.

I think, Mr. Speaker, that the amendments proposed under motions 7, 8, 14 and 15 should be studied in the most objective way as they are of interest to all members. I often reflected on the Unemployment Insurance Act. As the number of unemployed is rising alarmingly in our country, more Canadians must have recourse to this legislation to get benefits for which they have paid.

As it is presented, the bill provides for reduced benefits for several groups of claimants. As it was passed by Parliament some years ago, the legislation aimed at protecting workers who were occasionally and accidentally unemployed against running into debt. They were asked to contribute to a fund in order to get some benefits during their period of accidental unemployment.

I recall that when I was secretary in a municipality, I often had to fill forms for workers who became accidentally unemployed to help them benefit from this legislation during their period of unemployment and, if my memory serves me well, the amount of the benefits was much lower than today. It was $14 a week for workers with a family and less for single persons.

Yet, Mr. Speaker, I think that because of an economic situation that could be corrected by this Parliament if we really wanted, if we really assumed our responsibilities, because of an economic situation compelling many people to stay inactive and unemployed.

● (2050)

As the situation worsened, the Canadian government brought forward some amendments to the Unemployment Insurance Act, as regards the weekly amounts to be paid. But, in 1971, the act was amended in such a way that one was entitled to get, if one had a dependant, 75 per cent of one's salary. I think that at that time, the House of Commons passed a wise legislation that recognized the responsibilities of the head of the family towards his dependants.

Mr. Speaker, the purpose of Bill C-69 is to reduce benefits from 75 to 66⅔ per cent of the worker's salary. In my opinion, we will be failing in our duty if we pass this bill in its present form. Actually, if we are to admit that a person has the responsibility of one or more dependants, we have to provide him with an additionnal benefit, to allow him to meet his obligations. I understand the principle that says "equal pay for equal work". This is a well-known principle of economics, which emphasizes the truly human aspect of our country, and of our statutes. We wanted to recognize in our laws a basic right, the responsibility of individuals with a dependent wife or children.

We should not move backward. We should continue to progress and keep this legislation into effect to enable those who have greater responsibilities to enjoy higher benefits. While those motions are under consideration, I would suggest some amendments which I think are quite effective. I admit that when an employer has an unmarried person or the head of a family who render him equivalent services, he must pay them alike. However, since we live in society and must encourage those who assume the responsibility of raising children to give the best to society, that is human capital, through our laws we must promote the fulfilment of that vital cell called the family and recognize to the head of a family the right to a supplement enabling him to face his responsibilities. I am tempted to say something. What I will say will not fetch votes for a politician who wants to get re-elected, but we must at times take risks and we must speak plainly and this is what I want to do this evening when I say the following.

Mr. Speaker, Canada is going through very difficult times, being the neighbour of a great country which is

economically strong, but suffering from a terrible fever. The newspapers are reporting on this situation and, because we are the neighbours of this great country, when the economy of the United States is strained economically, automatically so is Canada's.

In my opinion, Mr. Speaker, we must take the necessary medicine to be able to recognize that, in our society, it is not normal to pay each week to the unemployed wages which are as high as those paid to the employed. The time has come for us to think about that, because it is shocking sometimes to hear some people tell us to our faces: Why work? Why get up early in the morning to get to work? The government chops off three quarters of the salaries through taxes and levies. Whereas when someone lives on unemployment insurance benefits or on social welfare, at least he does not waste his health nor his clothes, he does not make any effort and he gets as much as those who work.

An hon. Member: The average is $74!

Mr. Lambert (Bellechasse): If the hon. member wishes to express his opinion, he should resume his seat and wait till his turn comes.

In this situation, we must consider things as they are. A great many employers could expand and produce more, which would help fight the plague of inflation, but they cannot get workers at salaries allowing them to produce at a cost which could bear foreign or national competition. Many very gifted industrialists are giving up the idea of expanding, creating employment, increasing their production and helping our country pull out of an economic situation that need not be desperate if the Canadian Parliament were willing to take the necessary steps to solve the situations that can be solved through appropriate legislation. Mr. Speaker, criticizing alone is useless; proposals must be made, measures passed to encourage workers to depend on work as the instrument that will enable them to earn a decent living.

Mr. Speaker, whoever earns a fairly high salary and who, because of a special situation, is laid off for reasons over which he has not control, should be given an amount equal to his salary, because his unemployment is accidental and will last only a few weeks. He will soon be called back by his employer and asked to reintegrate the work force. But whoever banks on an act that will allow him to go to work, at times nonchalantly, to then enable him to get unemployment insurance for 52 weeks, deserves a decrease in payments because he is not encouraged to work, to make a personal effort and contribute to our social and economic life. In fact, the amendments now proposed to the present act place on the same footing he who takes his work to heart and he who works reluctantly.

● (2100)

That is why, in my opinion, the amendment to the bill on unemployment insurance, Bill C-69, is not quite appropriate and why I support amendments 7, 8, 14 and 15 because they maintain the status quo in favour of those who want to work, to go back to work as soon as possible to earn a reasonable and decent living.

Mr. Speaker, I think that the consideration of a bill like Bill C-69, an Act to amend the Unemployment Insurance Act, is a good opportunity for the House of Commons to remember the first law of work which was given us by our Creator and which says: "In the sweat of thy face shalt thou eat bread." We all agree, Mr. Speaker, to eat our bread in the sweat of our faces, but we do not want an economic system which has no respect for those who have such courage.

We want an economic system which would allow those who are willing to work to find a job; and if by accident they become unemployed, we want them to be protected by an adequate legislation which will uphold the sacredness of any human being who wants to earn a living through his work.

That is how I look at things, and that is how I wanted tonight to briefly tell you my thoughts, honestly and objectively, to induce a true reflection on those amendments to the act, so that those changes will provide incentives to those who want to work.

A lot of things can be achieved through work; work can change the whole economic aspect of a nation for it is disheartening for those who work, those who get up early, who go to work in spite of snow and ice, to see other people draw their curtains and make fun of them passing by.

Mr. Speaker, I think 800,000 unemployed in Canada is too much. We can control the situation by passing legislation to provide incentives to work and to encourage employers, businessmen, intelligent Canadians to give our nation what best they can offer through initiatives in keeping with their abilities and intelligence; those brave people could thus provide their fellow citizens with an economic development and a level of production which can be achieved here, and we would not have to import what we can produce in our country. Mr. Speaker, the Unemployment Insurance Act should be viewed in its true context. It is a legislation for particular circumstances, aimed at helping those who, as I said earlier, are accidentally faced with unemployment, so that they do not run into debts.

Such is the fraud of unemployment insurance, Mr. Speaker, and if we are not intelligent enough as members of parliament to view it in its real context we will by that very fact have failed to assume our responsibilities and generations to come will have to judge us; and if their judgment is severe, we will have to bow our heads and accept it.

[*English*]

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, mine will be a very short intervention. It seems to me that the government, in its effort to reduce the cost to the general taxpayer of the Unemployment Insurance Commission, has done very well by introducing at least three measures which are worthy of support.

It has increased the premiums to be paid by employers and employees, while at the same time increasing the moving average above which it must contribute to the plan. formerly this was 4 per cent but the rate is now to be brought up to 5.6 per cent. It is also proposed to eliminate the measure commonly known as advanced payments. I find these measures commendable considering the fact that the government wishes, and understandably so, to

reduce the tax burden on the shoulders of the taxpayer. However, when it comes to this particular measure I think perhaps an alternative approach would have been preferable. I would have looked very hard in the direction of increasing by a number of weeks the period before which a claimant becomes eligible for unemployment insurance.

● (2110)

As we all know, at present the period is eight weeks. I have the impression that employers in particular are rearranging their employment plans around this provision to take advantage of this period of only eight weeks. I would have preferred an alternative approach for the very simple reason that the reduction from 75 per cent to 66⅔ per cent affects people in Canada who, according to the evidence given to the committee, live in areas that benefit from the government's regional economic expansion program. The provision means for the average claimant a reduction in benefit from $75 a week to $66 a week, assuming a benefit in the range of $100 a week.

The approach of increasing the number of weeks would have affected people who have a short attachment to the labour force but who also live in the large industrial areas where there are alternative opportunities for employment much greater than for people who live, say, in parts of Nova Scotia, New Brunswick, Quebec, northern Ontario and other parts of northern Canada.

I say this not only to put my remarks on record but to encourage the minister, who evidently has gone through a very difficult process of decision making, none of which is palatable, before making his choice, which was not an easy one. Nevertheless I have to express these thoughts in the hope that we will one day come to a concept of unemployment insurance that is at least as broad as it is now.

This is where I part ways with the hon. member for Hamilton West (Mr. Alexander). He seems to be torn between the narrow concept of insurance as it is known in the private sector and the concept that we have gradually adopted over the years, which is not insurance but really income support. The hon. member reluctantly came to the conclusion in his very fine speech tonight that this is exactly what we have before us—a program of income support—and that we might as well call it what it is. Otherwise we would not have in the program maternity or sickness benefits as we know them.

These were fine Liberal measures introduced by the Liberal government in 1972, which we all supported both here and out in the field, and quite rightly so. Through these measures we have made Canada's unemployment insurance scheme one of the most advanced and enlightened in the world. This is why I believe this benefit rate for claimants with dependants would be within that spirit, and would be more advanced if it were kept at the level it is now, namely, 75 per cent.

Let me conclude by quoting an excerpt from a speech that the Minister of Manpower and Immigration (Mr. Andras) made to the Board of Trade in Vancouver on November 25 last year which I think reflects very well the dilemma he is facing and the choices he had to examine. I hope it will be the direction we will take whenever in future we think of unemployment insurance in the 1970's meeting the needs of a fairly sophisticated and progressively educated labour force. This is what the minister said on that occasion:

> ... why can't we use the public funds that we spend through this program ...

That is the unemployment insurance program.

> ... in a way that not only meets the income requirements of the U.I. claimants, but which also enhances their capacity to engage in useful and satisfying work?

Then the minister went on to say that it seemed to him much more sensible to talk of employment insurance rather than unemployment insurance. This speech was delivered just over a year ago to the Board of Trade of Vancouver, and I hope the minister still remembers it clearly.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, if I had any doubts that the government has given up any intention it may have had of dealing with the problem of unemployment or inequity in this country, those doubts would have been dispelled not just by the introduction of this bill but by the speech just concluded by the hon. member for Davenport (Mr. Caccia). I had always thought of him as being one of the more progressive Liberal members of parliament, yet a moment ago I heard him endorsing two principles which he correctly said are fundamental to the changes being proposed by this bill: first of all, that the premiums for unemployment insurance paid both by employers and employees should be increased; secondly, that the percentage of unemployment insurance above which the government assumes the cost of payments should be raised from the previous 4 per cent to, I think he said, 5.6 per cent this year on a sliding scale, which would mean that next year it would probably be up over 6 per cent, and more than that the following year.

Why are the two proposals endorsed by the hon. member for Davenport necessary? They are necessary because the government has completely failed to deal with increasing unemployment. In fact through this bill and others it has made clear that it has no intention of aiming for full employment.

Let us look at the record, and I hope that the hon. member for Davenport is listening. For the first 11 months of 1975 we have not had less than 6.7 per cent unemployment in any month. This 6.7 per cent was registered last January, up 1.2 per cent from January of 1974 when unemployment was 5.5 per cent. In actual numbers this was an increase of 140,000, from 520,000 to 660,000. In actual numbers as well as percentages unemployment has been increasing every month since last January.

I am not going to put all the figures on the record tonight, but let me take the month of November as an example. In November, 1974, there was 5.5 per cent of the labour force unemployed, representing 542,000 people. In November of this year 7.3 per cent of the labour force was unemployed, or some 734,000 people, an increase of almost 200,000. The increase in jobs between October and November was only 15,000 and that did not keep pace with the increase in the labour force consisting of 24,000, leading to a .1 per cent increase in unemployment. That is the situation in which we are today.

● (2120)

Let us compare that situation of today with what the minister accepts, and what the hon. member for Davenport thinks is quite normal, as reasonable unemployment. Apparently this is acceptable because the government is prepared to see the benefits and the premiums increase, because the increase is necessary in view of a much larger percentage of people being unemployed.

Let us compare that with what the former minister of manpower and immigration said in 1971 when he introduced these major changes that almost completely rewrote the act. I do not think it is an accident that that minister is not in the House for this debate. He must be terribly ashamed about what his successor is doing. Let me quote these words of that minister, who is not some wild-eyed socialist in the New Democratic Party. This must be a man with some ability, if ability counts, because he is again a member of the Cabinet. Let me read from page 5043 of *Hansard* for April 19, 1971, where the minister is reported as having said in respect of this question of what is an acceptable rate of unemployment in this country:

> Since the figure of 4 per cent has attracted a good deal of attention, I imagine somebody is going to suggest that the government has determined 4 per cent to be an acceptable rate of unemployment in Canada. Well, it is not my criterion. Like everybody else, I believe the acceptable rate of unemployment is the least possible rate. This is what we should be working toward. This should be our goal as a country. Our system is really on trial if we cannot operate on the basis of lower rates of unemployment than have been traditional, particularly in the light of the fact that the working force is growing at a tremendous rate. We have used the 4 per cent figure because 4 per cent, according to our computer estimates, triggers the government's contribution to the fund at a realistic level. If it were lower, the government's injection would need to be extremely massive, so massive that some form of additional income by way of taxes would be required. Five per cent would practically eliminate the government's contribution. So, we think 4 per cent is a realistic figure.

That is a much better and more concise explanation than I could ever give of why the government is changing the whole system with the result that instead of 4 per cent being the acceptable level it will be 5.6 per cent in 1976, more in 1977, and even more in 1978. The government no longer believes it can eliminate or is desirous of eliminating unemployment.

I presume the then minister spoke on behalf of the government of that day when he referred to grappling with unemployment. This was his whole approach to the question. It was an approach that would be humanitarian, sensible, and decent, instead of an approach that will result in a higher rate of unemployment, and it will be higher because of the government's anti-inflation program. That program will create more unemployment.

Those of us who have been around for a while know that inspired rumours come from some minister who is preparing the climate of opinion for something that is to happen within the next few months. We have been hearing inspired rumours to the effect that the government intends to cut expenditures by $1.5 billion.

I am not one who believes that every dollar spent by the government is a dollar well spent, but I do not intend to disagree at this time with every program of the federal government. If the government is talking about cutting government expenditures by $1.5 billion we can be certain that this will increase the number of unemployed by several tens of thousands, and it will increase the rate of unemployment probably by at least one quarter of 1 per cent.

When the former minister talked about the changes he proposed, he talked about making this program part of our whole system of economic distribution. We should compare that idea with the proposition put forward today, keeping in mind the speech the Minister of National Health and Welfare (Mr. Lalonde) made last year, and which I am sure he wishes could be expunged from the record. That speech was great reading at the time because the minister talked about the inequities in our society. I suggest they are as bad in 1975 as they were 25 years ago.

Some 25 years ago 20 per cent of the population at the bottom of the income scale in Canada received just over 4 per cent of the gross national product while the top 20 per cent received over 40 per cent. That was back in 1950. Now in 1975, after 18 or 19 years of Liberal government, we have precisely the same situation. Still about 20 per cent of the population at the lower income level in this country receive just over 4 per cent of the gross national product, and the 20 per cent at the top, in spite of all the valiant efforts by the present Minister of National Health and Welfare, receive 42 per cent of the gross national product.

When he was introducing his major changes to the Unemployment Insurance Act in 1971 the then minister gave his reasons for the changes. Let me put on record a few sentences from the very fine speech he made at that time, most of which I agree with, and compare this with the parsimonious, penny-pinching, ruthless attitude of the present Minister of Manpower and Immigration (Mr. Andras). Reading again from *Hansard* of April 19, 1971, at page 5038, the minister said:

> —we have substantially increased the benefits to which a person is entitled under the proposed act so there will be a direct relationship between the benefits received and the level of income that he has achieved over a period of time.

Returning to the specific question we are discussing and the amendment we have proposed, what the minister proposed is that those few people with large families, and I will come to the details in a few minutes, who could not get by on their unemployment insurance benefits were permitted, as a result of the amendment introduced in 1971, to 75 per cent of their potential. This is now being reduced to 66 2/3 per cent, just like everybody else. I suggest that is a complete rejection of what the minister suggested in 1971.

The minister then went on to say:

> It is significant that of the 1,200,000 who will be coming under the act for the first time, at least 700,000 are earning less than $7,800 at the present time, and only about 500,000 of those people coming into the plan for the first time earn above that figure.

● (2130)

I suggest that the people who will be adversely affected by this proposal of the minister are precisely the people in the lower income brackets who need most the assistance the minister is cutting down. Then he said:

> Another reason for the proposed increase in benefits stems from the fact that many Canadians today drawing unemployment insurance must also draw a welfare cheque in order to support themselves and their families.

Of course the then minister thought that was bad. He disapproved of that. Yet that is precisely what the present minister is proposing. There is no question in my mind that a person with a large family, entitled to unemployment insurance benefits, if he only gets two thirds as proposed will require extra to make up the difference between what he is getting in unemployment insurance and what he requires. He will require benefits through welfare in order to live.

The then minister made some calculations and said:

> By increasing unemployment insurance benefits substantially we will effect savings of some $80 million under the Canada Assistance Plan, $40 million to the federal treasury and $40 million to the provinces.

I suggest that what the present minister will take away from the unemployed who qualify for the extra benefits will have to be paid in substantial part through welfare payments. Now let me quote the last sentence from what the minister said in 1971:

> ... the increase in benefits will postpone the day when people chronically unemployed must turn to welfare if they have no other sources of income. It can be said that the benefit structure has been developed by people who care about people.

I suggest to the minister that the converse of what the then minister said is happening today. This benefit detriment is being prepared by a minister and officials who do not care about people.

One of the main arguments the minister gives for the elimination of the dependency rate is the idea that unemployment insurance benefits are strictly a wage insurance plan. If that is so, and benefits for those with dependants have no place in the program, the insistence by the government on the insurance aspect of this program, to say the least is in contradiction to the refusal of the government to provide insurance to people aged 65 who have been and are working.

There are many people who over the years have been considered eligible for benefits and who will never pay in sufficient to insure themselves. I refer to people such as fishermen, those who take part-time work in the woods and so on. Of course in a theoretical way I could agree that their needs ought to be met in another way than through an employment insurance fund, but we have not developed that kind of a comprehensive social security system. Liberal governments may talk about it but they talk about it as taking place some day in cuckoo land, in the dim distant future when none of us, including the new 20-year old members, will be here if we wait for the kind of people we now have in the Liberal government to act.

One member opposite who does not have the courage to stand up says that now they are in power they have to be responsible. Is he suggesting that in the years when they were not in power they were irresponsible? I never pay attention to those dough heads at the back who just bray and do not get up to speak.

An hon. Member: You are wasting time.

Mr. Orlikow: If I am wasting time then I can at least take the pleasure that I am inflicting the same waste of time on members opposite. If we depended on the backbenchers on the government side, the whole business of parliament could be accomplished in about three days in a year because they would just come down here, press a button, say yes to anything any minister said, and then they would go home. So long as we have a democratic system and so long as there are opposition members of parliament, those opposition members have a right to speak. It does not bother me that the member opposite interjects. I have a right to speak and I will decide when and for how long I speak. I will not wait for some Godhead in the front rows, as back-benchers on the other side do, to tell me how or when to speak.

Perhaps I might return to the argument I was attempting to put forward. Let me say that in our opposition to this provision in the bill we are in pretty good non-partisan apolitical company. We have as company the Canadian Council on Social Development, the chairman of which, if not at the moment, until recently was a very close relative of one of our cabinet ministers. Therefore it cannot be too radical an organization. The council has opposed this proposition. Mr. Baetz, the executive director of the Canadian Council on Social Development, said:

> The low-income earner is not only hit inequitably with a 20 per cent increase in his premiums but the provision in the bill to eliminate the 75 per cent benefit rate for claimants with dependants hits the low-income earners since they are one of the two categories that had received this special assistance.

He said further:

> Now admittedly it has been argued in many countries that unemployment insurance benefits should not take dependants into consideration since wages also do not take this into account. Wages do not take into account the size of the family. I will say this, that I have, on occasion, theoretically argued that point as well.

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, since several members of the opposition said great truths about the amendments to Bill C-69, I think it would be superfluous on my part to further comment on the amendments to this bill.

The fact still remains that one clause among others drew my attention. I refer to section 24, subsections (2) and (3), dealing with rates of benefits and qualifying weeks.

Often, Mr. Speaker, one finds that the last 20 weeks of insurable employment do not generally correspond to the salary earned in the business, for in businesses hiring on a seasonal basis one usually finds a reduction in working hours corresponding to the demand for production.

So one may conclude that it is normal for an employee who at a certain moment was hired for a period of 40 hours of work to reduce his hours either because of a temporary slowdown in production or still because of the forthcoming closing down of the business. And that employee leaves his work voluntarily because it is easy to imagine that if the eventual claimant persists in working at reduced hours for a few weeks before voluntarily leaving his job he will be penalized twice because, first, he will be penalized under subsection (1) of section 41 for a period of three weeks under the present legislation but as soon as the amendments that were brought in are accepted it will be for a period of six weeks because then the employee will have left his job voluntarily. Out of spite there will be a change

in the service contract because it is extremely difficult to use that reason to prove there was a just cause to leave one's job voluntarily.

Furthermore, the eventual claimant will be penalized a second time under subsections (2) and (3) of section 24 of the act since he will have worked only a few weeks at reduced hours and the rate of qualifying weeks will be deducted accordingly.

We can therefore conclude that under the provisions of the act as it now stands, the employee who notes at a certain time that the company for which he works will soon reduce its production or close down its plant because of a lack of market opportunities for its products or must reduce the hours of work of its employees will naturally find that it is to his advantage to quit immediately his job instead of working a fewer number of hours, which would reduce his salary.

Consequently, the government should take action so that unemployment insurance rates be based on the average of the 20 highest paid weeks of insurable employment during the qualifying period instead of amending the act and establishing the rates on the basis of the last 20 weeks.

As concerns the dependency rate, which would be reduced from 75 per cent to 66⅔ per cent, this seems to my mind very unfair because, at this level, the government says that the reduction is guaranteed by higher family allowances.

In my opinion, family allowances are not sufficient to cover even the cost of feeding and clothing the children. In any case, Mr. Speaker, family allowances have nothing to do with the future claimant, the future unemployed, because when he works, he also receives his unemployment insurance benefits, and when he becomes unemployed, he is once again punished, as I said earlier, because he has lost his job.

I find it very unfair to treat in this manner those who help build society and contribute to the development of our country by punishing them in this way. For this reason, I shall not support this amendment.

● (2140)

[*English*]

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed to the motion will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

[Mr. Allard.]

The Acting Speaker (Mr. Turner (London East)): Pursuant to section (2) of Standing Order 75 the recorded division on the proposed motion stands deferred.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Could it be made clear that the vote which will be recorded on motion No. 7 will also cover motions Nos. 8, 14 and 15?

Mr. Alexander: That is the understanding on this side of the House.

The Acting Speaker (Mr. Turner (London East)): Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner (London East)): We now go on to motion No. 9 in the name of the hon. member for Timiskaming (Mr. Peters).

Mr. Arnold Peters (Timiskaming): moved:

That Bill C-69, to amend the Unemployment Insurance Act, 1971, be amended by deleting Clause 8.

He said: Mr. Speaker, one of the problems of the system we use is that if one has not been present in the committee one has not heard the justification of either the civil servants, the commission, or government members as to why a certain clause should be deleted after having been adopted on a trial basis for several years. This clause, which I propose should be removed, will have the effect of reinstating the three week period during which an unemployed person would receive his pay immediately following his last employment. The reason for that provision in the act is to enable the claimant to look for another job. If he cannot find employment within the three week period, he will not have to pay back any of the advance money paid to him.

It is surprising to me that Liberal members wished to remove this provision because, in my opinion, it was used very seldom. The payment is not done by way of computer but by hand. It has to be authorized in the local area, and in an area where mail claims are used it cannot be put into effect within the first three week period. So obviously this provision only works in those areas where there is a large concentration of people, which usually means a large concentration of job opportunities as well.

The commission indicated that 70 per cent of all persons drawing unemployment insurance benefits had been earning less than $6,000. It was for that reason, and with the knowledge that these people would not have large resources available when they were laid off, that this provision was put into the act. It enables them to receive three weeks benefits, which is added to their last pay and which enables them to cover their expenses during the time when they are seeking another job. I think the idea behind it is very good, but the sad part is that it rarely works. In fact in many areas it was not used.

The weakness in many sections of the act is that they are not uniformly applied. I mentioned this afternoon that the method of control used was different in one area from that applied in another area. Although conditions may be different in different areas, I think that the federal law

should be applied equally. This was not the case in so far as this provision is concerned.

If the reason the government is recommending the removal of section 28 of the act is that the payment of the three week benefit when a person becomes unemployed will be done by computer rather than by hand, and that not many people have taken advantage of that provision, then perhaps we should consider whether or not it has some merit. When I inquired of our member on the committee, he indicated that this had not been abused, or at least there had been very little discussion about abuses, but the indication was that it also had not provided many jobs.

● (2150)

If it did not provide for what it was supposed to, then the person who received the three weeks pay would subsequently go on to regular benefits, and when he did he had to make up the three weeks which he had already been paid. The only time he received anything for nothing, and that would be doubtful, would be if he was to suffer any further unemployment at some time in the future in the benefit year. However, it would only apply, and it would only be a benefit, to the person who was off for a week or two weeks, or less than three weeks, and received the benefit and did not have to repay it. In other words, if this was not a factor, was not abused, and was not a big cost factor, it seems to me we should leave it in because it does mean that the person would at least be paid in the first three weeks.

Though the officials will not agree, in my area it is impossible to receive a benefit payment in less than four weeks, and not likely before the sixth week. Normally it is considerably longer than four weeks, and there are few who receive it in four weeks. As a result the three weeks is paid within a period of a month and a half, and families earning $6,000 just do not have enough money to keep themselves for six weeks with the cost of living as it is today.

The unemployed in my area go to municipal welfare offices and receive assistance while waiting for their cheques. They make an assignment to the welfare department. When their money comes from the UIC, the welfare agency is paid back. However, it seems to me that in many cases we are asking municipalities to cover the period during which the application is being processed, the time in which the separation slip is sent in and the cards are made up, when they are sent to Belleville, and a cheque is sent from Belleville to the claimant. In most cases that is four weeks plus. It is normally a six week period, and I suggest that in paying this three weeks pay we are really paying for the inability of the UIC to make that payment within six weeks.

If the minister thinks he can do something about this problem, I wish he would tell me what it is. I remember in 1971 sitting in the committee, and we were told by UIC officials that there would be a cheque within a three week period. I told them no one was getting paid within three weeks, and we had only a two week waiting period at that time. We extended it another week. It was just impossible to collect within that time. It worked out that I was right and they were wrong. It takes six weeks for an applicant to receive that money in my area, and if anything goes wrong it could take up to ten weeks or more. It cannot be less than six weeks, and I should like some hon. members who think we should move to this three week waiting period to tell me why. This has very seldom been abused in my area, and it has been useful. If the officials are pushed hard, they will issue a cheque by hand for someone, but it is not usually within the six weeks, it is usually longer than that, and they will issue a cheque because the act gives them the right to write one cheque within three weeks.

If we take away that right a person through no fault of his own will not receive any money for a period of six to eight weeks. That is two months, or four pay days, and a person living on $6,000 sure as hell is not going to get by for two months without going to the welfare department. If we keep this three weeks and we do not need it, then what is lost? If it provides a means of creating employment in the cities, that is obviously the only place it could work; it cannot work in small communities. It cannot work for the simple reason that they cannot get the three weeks pay. From where will they get it? They cannot get it from the sub-offices in my area.

A person could drive 150 miles and talk to the officials in Timmins, but to whom could he talk? When a person drives to Timmins to talk to UIC, he talks to the dumbest person there because that is the last person hired and the least qualified. That person answers the telephone and is also on the desk. It should be the manager on the desk meeting the public, or at least someone who is able to give some answers.

So if a person drives 300 miles there and back, he has talked to a girl hired off the street two weeks before who hardly knows what UIC stands for, let alone what the program is about. Whoever drives to Timmins is not likely to receive the three weeks pay anyway, but there might be a chance. If a person were really belligerent, swore at everyone and kicked the door down, he might receive it, but it is always possible that a member of parliament can telephone the office stating that this person has not received any money for the last six or eight weeks and how about issuing a cheque.

On occasion the officials will be generous and issue a cheque, because under this act they have the right to issue that three weeks cheque. If we take away the three weeks, how are they going to issue one even if they want to do so? Until it is totally cleared through the computer they will not be able to issue a cheque. The only way is through this loophole which has been established. If we expended some energy on job placement agencies, which would likely mean the elimination of Manpower centres, this would be a better route, but until we do that we will not be able to provide the three weeks pay, or expect people to get jobs during that three weeks.

There are probably 10 people unemployed for every available job, and while in cities like Ottawa or Toronto it is quite possible that there is room for mobility in a region, in an area like mine where the pulp and paper companies are all shut down, where the wood industry is in serious difficulty and where the mining industry is also in serious difficulty, it is not possible. So I suggest that unless the government is willing to give us some justification as to

why it wants us to take this out—it has in rural areas served some purpose—I damn well think hon. members representing rural areas in other parts of Canada should get up and say why they think we should take it out, and what the reason is for the abuse.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—ISRAELI ATTACK ON REFUGEE CAMPS IN LEBANON—POSSIBILITY OF PROTEST BY CANADA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on December 5 I asked the Acting Prime Minister if he had conveyed to the Israeli ambassador the Canadian government's concern about the attacks by the Israeli air force upon Palestinian refugee camps in Lebanon. I note that later on in the question period the hon. member for Greenwood (Mr. Brewin) put forward a question on the same subject.

We all know that deep emotions are involved in the continuing Middle East crisis, and suffering and violence are widespread. No thoughtful or reasonably informed person would assert that acts of violence are the exclusive approach of one side to the confrontation in the Middle East area.

It is sadly true that for the last half century, and indeed, longer, death and destruction have stalked the ancient land. The years prior to the U.N. establishment of the State of Israel were especially marked by terrorist violence. The blowing up of the King David Hotel in Jerusalem where British military and mandate officers were quartered, the assassination of Lord Moyne, and later of Count Bernadotte, were grim highlights of the activities of those who were determined that, despite the views of the indigenous people, a State of Israel would be set up. There were massacres of villages and other violence of horrendous proportions. Of course those who did not wish the creation of the state of Israel did not confine their response to passive resistance; far from it.

● (2200)

While one cannot establish a graduated scale of violence nor measure the iniquity of a violent act by the numbers killed or wounded, there are some incidents which by their very nature cry out for an expression of moral outrage. The Munich attack by the Black September group, the shoot out of innocent airline passengers at international airports, the shooting down of the Libyan civilian plane come to mind as particularly reprehensible.

The incident to which I referred the other day is thoroughly deplorable. In the past quarter century no group of people have suffered more painfully nor longer than the Palestinian refugees. These unfortunate people were driven from their homes, and after terrible privations they ended up in camps scattered over the Middle East where they have lived year after year in tents or tin huts, without hope, without normal home life, and in prolonged misery.

One might think that people living in this kind of squalor and depression had suffered enough. How then can we visualize the feelings and fears of the women and children when the Israeli air force launched an attack upon them the other day? As a consequence of this military attack by modern aircraft many innocent women and children were slaughtered.

Not surprisingly, there were expressions of anxiety and concern from many parts of the world. Pope Paul roundly condemned the unmerited and exceptionally ruthless attack, and for this humble, stubborn Presbyterian the pre-eminent Catholic spoke nobly on the issue.

Tel Aviv's own afternoon newspaper asked why the air strikes were ordered immediately after a United Nations Security Council decision to which Israel objected.

The Ottawa *Citizen* in an editorial said:

> ... the Israeli air attack on Palestinian refugee camps and guerrilla bases in Lebanon this week was a shocking example of savage terror.
>
> Many victims of the attack were women and children whose only crime seems to have been that they were Palestinian. For this accident of history, they could not return to their homeland, despite repeated United Nations resolutions and the Universal Declaration of Human Rights, and were doomed to a life of exile in a foreign land. Even so, they were not safe from death.
>
> Honest people everywhere can only condemn the Israeli attack as wanton massacre of innocent civilians.

A *Globe and Mail* editorial had this to say:

> ... the traditions and principles around which the State of Israel is built are not such as to prepare us for the callous decision to go ahead, in the certain knowledge that innocents would be among the victims, with this week's strikes against camps in Lebanon. There is nothing Israel could have done that would have blemished more darkly its own cause.

I trust, Mr. Speaker, that our government, known for its devotion to compassion, fairness, peace and good will, made its view clearly known to the Israelis on this matter.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I thank the hon. gentleman for his very thoughtful statement. It is evident from the time he took in preparing for this late show that he feels very deeply. I recall when the question was asked in the House by the hon. gentleman, and I recall as well the statement made by the Acting Secretary of State for External Affairs at that time.

I am informed that the text of the statement made by the hon. minister has been drawn to the attention of the Israeli ambassador in Ottawa by the Department of External Affairs.

I have not spent as much time as perhaps I ought as a parliamentarian in studying the problems of the Middle East. It is a situation that all Canadians are intimately aware of, whether they concentrate on the difficulties or not, because some of our citizens are representative of that area. We have groups on both sides of the conflict, and the human problem faced in that area is one common to us all and has transcended historical ties.

I do not want to appear as a philosopher but I know the difficulties there are very human and deep. Both sides deny the recognition of individuals and groups and it is of necessity, therefore, an extremely violent, fundamental and basic conflict. One often tends to pass judgment on the rights of one party or the other in these circumstances, but I want to avoid that temptation. One can express, as the hon. member for Hillsborough (Mr. Macquarrie) has done, his shock and dismay at the consequence of the acts of either party involving innocents. One can express that dismay; however, one must refrain from passing judgment as to the motivation for the acts that are performed.

The comments of the hon. member have been noted. As I pointed out, the government has indicated its position. It has indicated its reaction to the repugnant acts not only of one side but of the other. I take it the hon. member is content that the government has been very active and analytical in its consideration of the facts.

SOCIAL SECURITY—PROPOSED INCREASE IN OLD AGE PENSION AND STUDY OF RETIREMENT POLICIES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Thursday, November 27, as recorded at page 9495 of *Hansard*, I put this question to the Minister of National Health and Welfare (Mr. Lalonde):

> Mr. Speaker, in view of the fact that the Canadian Council on Social Development has recently published a report entitled "How Much Choice—Retirement Policies in Canada" in which it is declared that more than half of the senior citizens of this country exist on incomes at or below the poverty level, may I ask the Minister of National Health and Welfare if consideration will be given to an immediate catch-up increase in old age pensions, and will the government also institute a study of retirement policies in this country?

The answer of the minister, which appears at page 9496 of *Hansard* for the same day, was to the effect that in this view there are different levels of poverty and that he was not sure it would be useful to have a general debate on the poverty level. He concluded his answer with this sentence:

> As for the member's suggestion for an immediate increase in the basic pension, the matter is not being considered at the present time but, as I said to the hon. member, it will be increased according to the rise in the cost of living as of January 1 next.

I readily understand the attitude of the minister every time I put these questions to him in defending the government's old age security program. I have a fair amount of pride in it myself because I have been involved in it over a good many years. Although one can compare what is done for older people today with what was done ten, 20, 30 or 40 years ago and realize that we have made progress, surely we never come to the end of the road. Surely what counts is the living conditions of our senior citizens today, compared with today's standards.

I hope, therefore, that the government will join with me in welcoming the report produced by the Canadian Council on Social Development entitled "How Much Choice—Retirement Policies in Canada" which was written by Joan C. Brown. I hope the government will pay attention to the facts in this volume and the proposals made therein. It does document the situation with respect to retirement at the present time. It is ever so much better than it was a quarter or half century ago, but it is still true that more than half of our people 65 years of age and over are at or near the poverty level. It is also true that our pension plans, good as they are, are not filling the bill. Proud though we may be of what we have accomplished, surely common sense and ordinary decency require that we take another look at our whole system. That is what this report calls for and I urge the government to undertake it.

● (2210)

There are a couple of points made in this report which are extremely important and which, it seems to me, go to the heart of the issue. One is that although no one should write off what the private sector could do, it does seem to be a fact that the best chance of improving pensions for everyone lies in substantial improvements to the Canada Pension Plan, for example, getting it to the point at which it pays, let us say, 75 per cent instead of 25 per cent of one's recent earnings. I hope the government will consider this very seriously—the need to improve substantially the advantages of the Canada Pension Plan in association with old age security measures.

Another point which is made in this document, and one which I believe to be of extreme importance, has to do with the age of retirement. The author urges very strongly that we should introduce more voluntariness into the question of the retirement age and that persons over the age of 60, indeed between 60 and 70, should have the option whether to retire or not. This may be putting it in language somewhat different from the language I sometimes use when I call for the pension to be brought down to the age of 60 for those out of the labour market, but in effect it is the same proposal. However, my purpose is not to get into an argument between two doctrinaire positions, but rather to urge the validity of my assertion that further studies should be made as to the retirement age and that the government should take this matter seriously.

I have just about reached the end of the time allotted to me on this subject tonight. I trust I can persuade the government to make a serious study of the pension situation. I know this cannot be done in a week or a month or even, with the present government, in a year. It takes time. But it is grossly unfair to those who are at or below the poverty level to fob them off with a statement that a study is being made. That is why there should be an immediate catch-up increase in the basic amount of old age security. Though the minister said the other day that the matter is not being considered, I hope that in his absence the parliamentary secretary will speak from his own heart tonight and admit that such an increase ought to be provided without delay.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I should like to thank the hon. member for Winnipeg North Centre (Mr. Knowles) for doing his usual job of helping to put before us and before all Canadians the situation of our senior citizens, their standard of living, and their treatment at the hands of the government. I might say, since he has asked for a response on my part, that my earnest desire is to become, one day, a senior citizen of Canada.

Mr. Knowles (Winnipeg North Centre): It doesn't take long.

Mr. Kaplan: It doesn't take long, but it is not inevitable. In that spirit I want to tell the hon. member that the government has found the report to which he referred to be an extremely valuable one, and that the Minister of National Health and Welfare (Mr. Lalonde) does propose that a far reaching study be undertaken of all pensions in Canada. We are now in the process of organizing a review of the entire pension issue.

The hon. member referred to the need, as he put it, to improve the Canada Pension Plan to the point at which it would provide a pension on the basis of 75 per cent of earnings. I might say that the Liberal Party of Canada supports that position. At our recent national conference a resolution very much to that effect was passed.

As for the question of the age of retirement, this is a much broader question than simply one of the government taking action. It is a question that I hope will be considered with a view not only to flexibility for a lower retirement age in our society in general but also flexibility for a later retirement age for those Canadians who choose to spend their senior years in continuing employment.

I was pleased to hear the hon. member say that he took a fair amount of pride in Canada's pension system, in old age security and GIS which are provided. I think he ought to do so. I think all Canadians ought to take a fair measure of pride in the burdens that they gladly bear to help assist our senior citizens.

However, I want to point to what I believe is a misreading of the report on the hon. member's part. It is true that the report notes that over one half of those over 65 have incomes that are regarded as being below the poverty line. But the report goes on to point out that they are eligible for some assistance through the federal guaranteed income supplement scheme, and that indeed over one half of our senior citizens receive this form of assistance, which takes their income up considerably higher. That is to say, a great many of the incomes of these people are lifted above the poverty line by the very programs in which the hon. member and all of us take so much pride.

Since October 1, 1975, the basic OAS pension has been $129.28 per month for an individual pension. In addition, the single pensioner with no other income—

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the parliamentary secretary but his time has expired.

REGIONAL ECONOMIC EXPANSION—SUGGESTED ASSESSMENT OF IMPACT OF REDUCED FEDERAL EXPENDITURES ON UNEMPLOYMENT IN ATLANTIC REGION—GOVERNMENT POSITION

Mr. David MacDonald (Egmont): Mr. Speaker, while the question I am raising this evening was originally raised on October 28 and had to do with the operation of the federal Department of Regional Economic Expansion, it is altogether appropriate that I should be raising the question again on the adjournment debate tonight, on the eve of the announcement of the government's restraint program in respect to its own expenditures.

Hon. members will recall that on October 28 I asked the Minister of Regional Economic Expansion (Mr. Lessard) whether or not he had been asked by his colleagues in cabinet to monitor any alteration in federal expenditures or programs which would have a negative impact on programs of regional development administered by his department or in which his department might have an interest and responsibility.

Before I elaborate on that question I want to say at the outset that this question is fundamental, I think, to the fiscal and economic responsibility of the government in regard to the disadvantaged regions of the country. I say that because of the experience we suffered about five years ago under a federal restraint program. Members in the House at that time and citizens generally will recall the situation that existed in this country when it was announced by the government that there was an overheated economy in the more highly developed parts of Canada, such as the central part of the country, around the Toronto area, and of course in western Canada, particularly in some of the major urban centres.

At that time there was a specific program of federal restraint, but to put it briefly, the war on inflation, which the Prime Minister (Mr. Trudeau) said would be wrestled to the ground, was fought very largely either on the backs of the low income people or of the people in the disadvantaged regions. Those of us who were able to monitor the cutbacks in federal expenditure which occurred in federal programs generally were unable to see at that time any kind of selectivity or priority in relation to the very real economic burden that existed in the Atlantic provinces, where unemployment was running at double the national average, where we experienced in many cases a very high cost of living factor while incomes generally were as little as half the national average.

That situation is now in danger of being repeated. I say that because very shortly after the announcement of the program of price and wage restraint by the Prime Minister on October 13 I asked, on October 20, the following question of the Minister of Finance (Mr. Macdonald):

● (2220)

—in view of the likelihood of there being some restrictions in federal expenditures. Will the minister be announcing a program or will he be designating the Minister of Regional Economic Expansion to be responsible for making sure that possible cut-backs in federal expenditures will not create further unemployment but rather that a specific program will be devised to deal with the difficulties in regions of economic and social disparity?

At that time, on October 20, as recorded at page 8339, the minister is reported as having said:

Mr. Speaker, when the colleagues of the hon. gentleman call for reduction in total expenditures we all bear in mind the difficulty this can cause in areas such as his.

I was quite frankly shocked at the lack of sensitivity or historical recollection to recall the previous difficulties we had encountered in the early 1970's in respect of the previous restraint program, and I asked the following supplementary question of the Minister of Finance. I asked whether there would be some flexibility with regard to these potential reductions in order that greater hardship would not be created for substantial numbers of the people in underdeveloped areas. The Minister of Finance in effect repeated his first answer and said:

—of course, the call for reductions in expenditures would fall particularly heavily on those sectors of his area—

Of course, that meant the Atlantic provinces, and that is why on November 28 I moved a motion under Standing Order 43, the same day I had asked the question being responded to tonight, urging that the House recommend that the Minister of Regional Economic Expansion be instructed to review and monitor all federal programs that could possibly be altered in order to prevent or offset further unemployment in regions of persistently high unemployment during a period of national fiscal restraint.

That is the specific problem we are faced with tonight, on the eve of an announcement by the President of the Treasury Board (Mr. Chrétien) about substantial proposed cutbacks in federal expenditures. Will there be flexibility and will there be allowances for specific needs and very high unemployment? In my constituency unemployment is close to 20 per cent, and in other parts of the Atlantic provinces it is well over 25 per cent. These are hardship depression statistics, and ones that must be responded to.

This is not just a question from one member of the opposition in this House. As quickly as the day following the announcement by the Prime Minister, on October 14, the premier of my province is reported to have said, and I think he has stood by this since, that while he indicated morale support for the program, that support had to be qualified. He said:

—I am worried that the coming restraints on government spending will be applied uniformly, without proper recognition for the limited budgets of PEI and the other provinces in the Atlantic region. The program does not appear to be sensitive to regional disparity.

That is the motion I was trying to bring before the government, and I have tried on a number of occasions this fall. To date we know, on the basis of what the government has done or is planning to do that it is not yet sensitive to regional disparity. The premier went on to say on this occasion that:

—his government will make immediate representation to the Trudeau government seeking assurances that capital spending and investment in the "slow growth areas will keep pace with inflation."

Since we have a parliamentary secretary with us tonight who has his roots deep in the soil of the Atlantic provinces, more specifically Prince Edward Island, I am hopeful that he will be able to reflect this concern. It is of crucial importance to the credibility of the program the federal government is engaged in, and it is also of crucial importance to the credibility of this particular department the parliamentary secretary represents here tonight.

When the department was established in 1969 it was given a very clear responsibility, because for the first time we had established a federal department that was not only going to administer a program to deal with regional development, it was going to act as some kind of over-all coordinating agency to ensure that the actions taken by other departments, whether they be Public Works, National Defence, Supply and Services, or whatever other agency may possibly have an impact on future development of regions like the Atlantic provinces or parts of western Canada, which the parliamentary secretary knows well, would be co-ordinate and effective in this regard.

It is not enough for the minister to give me the assurance he gave me on October 28 that there would be no reduction in the program, or the assurance he gave my colleague, the hon. member for Central Nova (Mr. MacKay), on October 22. What is equally if not more important is assurance at this time that there will be effective co-ordination. The credibility of this program and the credibility of the department are very much at stake.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, my hon. friend from Egmont put the case very well. I appreciate very much the sincerity of his remarks on the subject matter he has brought forward in his question.

I think the hon. member is well aware that the government's total package insofar as anti-inflation measures are concerned is distinct from what has come to be known as traditional methods of fighting inflation. For that reason I do not share the same fears he has that his part of Canada, or indeed other less advantaged areas of Canada, will necessarily suffer as a result. This certainly would be counter-productive, if you like, to our policies in this regard.

Indeed it is the Atlantic area and other similar areas that will suffer even more if we do not take action and do not bring about some control to the inflation that has been taking place. Those areas do not have the large industry, the large unions, and the powerful sectors that there are in other areas, and for that reason those areas perhaps are more susceptible to the rigours of inflation than some others. I think the figures in respect of the cost of living in Saint John and in some other cities show this is the case there more than elsewhere.

As the hon. member knows, a great deal of progress has been made since 1969 with the establishment of this particular department. I know he is well aware that my minister was recently in his province of Prince Edward Island where he signed another five-year agreement, which I think is an indication of the concern of the government in trying to ensure that that area of the country, and indeed other similar less fortunate areas, are not affected by the impact of the government's program and policies such as we are now embarking on in connection with the question of inflation, government expenditures, and the rate at which these are increasing federally, municipally and provincially, which is a factor in the sense of the inflationary pattern we have seen. I can assure my hon. friend that the points he makes are the concern of my minister and the government, and that the action we take will be taken in light of the points made by my hon. friend from Egmont.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Tuesday, December 16, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL PARKS

REQUEST THAT EXPANSION OF ST. LAWRENCE ISLANDS PARK BE DELAYED PENDING CONSULTATION WITH AREA RESIDENTS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity resulting from the sincere and welcome statement made by the Minister of Indian Affairs and Northern Development (Mr. Buchanan) to a delegation from my constituency last week representing some hundreds of constituents who oppose the present plan of the government to expand, at a cost of $30 million, the St. Lawrence Islands National Park by acquisition of additional land, and particularly arising from the minister's public statement after the meeting in which he guaranteed those present that his department and the government would not attempt to negotiate the purchase of any additional land in the area before consultation with people in the area took place.

I therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Supply and Services immediately advise the House whether his department has been approaching certain property owners in the area of the St. Lawrence Islands National Park offering on behalf of the government of Canada to purchase their land and, as a specific example, why a William Fraser and a Robert Fraser, claiming to represent the Department of Supply and Services, recently approached the owners of island number 52 offering to purchase it on behalf of the government of Canada, in direct violation of the orders issued by the Minister of Indian Affairs and Northern Development whose department is responsible for Parks Canada; and further, that the House requests the Minister of Supply and Services to forthwith order his staff to desist from such practices if such are in progress.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

TRANSPORT

PROPOSED ESTABLISHMENT OF MERCHANT MARINE—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

Considering that Canada is rated among the most important importing-exporting countries of the world; considering that the volume of Canada's exports of grain, oil, minerals, lumber and other commodities is constantly increasing; considering that our economy would benefit from it and that it has been hardly mentioned in the last Speech from the Throne, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the government take immediate steps to ensure that Canada will give itself a merchant marine as soon as possible.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

● (1410)

[*English*]

AIR TRANSPORT

REQUEST THAT SAFETY BE CRITERION IN CHANGING AIR TRAFFIC CONTROL REGULATIONS—MOTION UNDER S.O. 43

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a motion of interest to the Minister of Transport, and I do so as an active flying crew member of some 34 years. The matter I consider to be of urgent and pressing importance, one which I hope will meet with unanimous consent, is this. In light of the fear and uncertainty left by the minister yesterday in his statement, as recorded at page 9997 of *Hansard*, that the criterion with respect to air regulations and procedure is not that of safety, and since the matter concerns bilingual air traffic regulations in one of the provinces of Canada, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That this House, and the government by giving unanimous consent to this motion, reaffirms the invariable and long standing practice of the government, and in particular the Department of Transport, in the bringing about of any changes or alterations or additions in regulations and procedures respecting the control of air traffic in Canadian air space be based on the sole and exclusive criterion of safety of the hundreds of thousands of air travellers and all air traffic using Canadian air space throughout Canada, including the province of Quebec.

Official Languages

Mr. Speaker: Order, please. Pursuant to Standing Order 43 this motion requires unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*Translation*]

MANPOWER

REQUEST FOR STUDY OF PROGRAMS TO CREATE JOBS—MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, I ask the unanimous consent of the House to introduce a motion under Standing Order 43.

Considering the steep increase in unemployment, especially among young people in Quebec, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That this House unanimously ask the government to provide an exhaustive revaluation of make work programs now in effect to make this fight against unemployment really effective and encouraging for our young people on the labour market.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

BILINGUALISM

SUGGESTED AFFIRMATION OF RIGHT OF CITIZENS TO SERVICES IN BOTH OFFICIAL LANGUAGES—MOTION UNDER S.O. 43

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent necessity.

Considering that articles published this morning in a number of Quebec newspapers indicate that some members of the Public Service of Canada will not supply their services to English-speaking people in Quebec, that such action is condoned anyway by the alliance as a bargaining technique, and that such denial of linguistic services in both our official languages is in fact a form of blackmail and a despicable means of confrontation which may only result in antagonizing and irritating part of the public;

[*English*]

I move, seconded by the hon. member for LaSalle-Émard-Côte Saint-Paul (Mr. Campbell), and in the absence of the President of the Treasury Board I would address my motion to the Prime Minister:

[Mr. Nielsen.]

That the Prime Minister do now, before this House, restate and reaffirm this government's intention to assure all our citizens equal access to federal government services; and further that the Prime Minister reaffirm that everywhere in Canada the government will enforce the right of citizens to have access to either of our two official languages; and, finally, that wherever in Canada federal civil servants attempt to deny to Canadians that access to both official languages, those civil servants will be suspended without pay until they have agreed to conform to the legislation passed by the elected representatives of the people in this House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. This motion being pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

TRADE

DEFICIT ON AUTO PARTS TRADE WITH UNITED STATES—POSSIBILITY OF DISCUSSIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister who said yesterday:

—there have been, will be and are various forms of irritants that we are always working to overcome.

Is it the view of the Prime Minister that a trade deficit with the United States of possibly as much as $2.5 billion this year in respect of auto parts is an irritant for this country, or a matter of real urgency that demands some significant initiative and, if so, have formal talks on auto parts been arranged and when will they be held? I direct this question to the Prime Minister in view of the significance of the problem involved?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware that any such talks have been arranged.

CANADA-UNITED STATES AUTO PACT—POSSIBILITY OF RENEGOTIATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, it has been reported that it is high on the government list of concerns to negotiate or renegotiate certain aspects of the auto pact. In light of the Prime Minister's confidence, as manifested yesterday, that our relations with the United States are very healthy, during the recent visit by Mr. Kissinger was the question raised about renegotiating the auto pact or, if not, is it the intention of the Canadian government to seek a renegotiation of this auto pact? I direct this question to the Prime Minister in view of its importance to the country.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Mr. Kissinger did not raise it with me, nor did I raise it with him. I will inquire to see if it was raised in his meetings with other ministers.

Mr. Stanfield: Mr. Speaker, I am simply stating the facts and not trying to be sarcastic. In view of the fact that the Prime Minister apparently does not seem to know anything about these matters, I would ask him whether he would request the Secretary of State for External Affairs to seek a first opportunity to make a full statement as to the irritants that are under active discussion between our two countries, including the two matters to which I referred.

Mr. Trudeau: I thank—and I do not mean to be ironic—the Leader of the Opposition for the suggestion.

* * *

EXTERNAL AFFAIRS

RECONVENING OF JOINT MINISTERIAL COMMITTEE AND INVITATION TO APPEAR BEFORE CONGRESSIONAL COMMITTEE ON FOREIGN INVESTMENT LEGISLATION

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary for the Prime Minister. Yesterday I asked the Prime Minister with regard to two specific cases; one, the joint sub-committee which is meeting today and tomorrow to hear from a number of prominent Canadian businessmen, and whether or not action will be taken by this government to ensure that adequate representation will be given to the new policy initiative taken in foreign investment before this important sub-committee; second, he indicated he would also look into the matter of the reconvening of the joint ministerial committee which has not met since 1970.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, may I deal with the first question. It is my understanding that this committee of the United States Congress is meeting because they are considering a similar kind of legislation to our own. We have had no request from the administration to have any officials there. The secretariat of the committee did inquire whether it would be appropriate to have a Canadian official appear before the committee and we said that in accordance with long-standing practice it would not be appropriate. There are some inquiries going on as to whether academics or businessmen from Canada might wish to attend.

STEPS TO RECONCILE VIEWS OF AMBASSADOR PORTER AND THOSE OF THE ADMINISTRATION ON CANADA-UNITED STATES RELATIONS

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the very different governmental situation that exists in Washington compared to our own with divided responsibility between the administration and Congress, and in view of Ambassador Porter's remarks which specifically were directed toward the growing sense of unease in Congress and in the media and as a result of the minister's answer concerning the lack of participation in this important sub-committee, I am wondering whether the Prime Minister can indicate what steps are being taken to reconcile the statements made by Ambassador Porter, later confirmed by the State Department, with the views of the administration apparently presented to him over the last few months by President Ford and Secretary Kissinger.

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, I can only refer to the preamble as stated by the hon. member and say that it does not reflect the facts as they exist. Since yesterday's exchange in the House my office communicated with the White House and our Secretary of State spoke with Secretary Kissinger in Paris. It is quite apparent to me that the facts are as I stated them in the House yesterday, that Ambassador Porter was not conveying a message form the administration as the hon. member indicates in his question.

Mr. MacDonald (Egmont): I have a final supplementary, Mr. Speaker. Perhaps I did not put the question clearly enough. I was asking whether or not the Prime Minister had taken steps to ascertain whether or not the views taken by the Congress and the media in the United States are such as presented by Ambassador Porter and confirmed by the State Department, in view of the importance of the congressional decisions or developments which might take place in that country during a presidential election year.

Mr. Trudeau: Well, Mr. Speaker, I must again take exception to the question as asked when the hon. member says it was confirmed by the State Department. Mr. Speaker, I assure the House my information from the administration, from the White House and from the source I indicated in Paris is to the contrary.

* * *

ANTI-INFLATION BOARD

PRE-NOTIFICATION OF PRICE INCREASES—REASON FOR USE OF TWO PER CENT AS BENCH MARK

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance arising from the announcement made by Mr. Pepin yesterday. I should like to ask the minister why it was decided that a 2 per cent bench mark figure would be used in the case of pre-notification for increases in prices for products in a particular product line but there was no percentage or bench mark given in the case of individual products. I would ask the minister why that decision was made and why also it has been left up to the companies on their own initiative to decide when a significant increase has occurred in the case of an individual product.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, without having discussed this with the board, and given the fact that the board is exercising the discretion given it by the government, I cannot give a full explanation of all the terms or the decision taken by the board in this regard. This has obviously been done on their own judgment. I would assume from it that this reflects in part the degree of difficulty involved in having to monitor what could be literally hundreds or even perhaps thousands of

price increases. But it was the board itself, in carrying out its mandate, which has determined these two factors.

● (1420)

INQUIRY WHETHER ALTERATION OF QUALITY OF PRODUCT WOULD INVOLVE PRE-NOTIFICATION

Mr. Edward Broadbent (Oshawa-Whitby): Can the minister tell us that in cases where a company decides to reduce the quality of the product it is making or subtracts some of the components from the product it is selling and decides to continue to sell the product, without modifying the price at the same time, such changes, which would ultimately result in higher profits on individual lines of products, will require the submission of pre-notification of this kind of behaviour to the board?

Hon. Donald S. Macdonald (Minister of Finance): I think it would be undesirable to give an interpretation in detail except to point out to the hon. gentleman that if the profits exceed the net profit margin which the company is entitled to make, under those circumstances it would, of course, be in violation of the guidelines and subject to action under the law.

Mr. Broadbent: In a final supplementary question I should like to ask the minister for clarification on that precise point. Is the minister saying that a company which chooses to operate within the program under the terms provided for a clearly identifiable product line is also subject to the 95 per cent procedure for assessing whether or not they have exceeded the guidelines? My understanding was that it was an either-or proposition and they were not subject to both requirements.

Mr. Macdonald (Rosedale): I think the hon. gentleman is confusing the application of one of the three alternative means of control, either the direct cost pass-through rule technique, or if that were not possible the net profit margin rule or, in the case of distribution trades, the gross margin profit rule. It may be that in relation to certain lines of products the net profit margin rule may apply and in relation to other lines of products it may be possible to apply the net cost through rule.

* * *

[Translation]

EXTERNAL AFFAIRS

ALLEGED WASTE OF RESOURCES BY QUEBEC FOR PROFIT OF UNITED STATES—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister.

Yesterday, the Prime Minister stated, following the statements by the former U.S. Ambassador to Canada, that Canada is not a U.S. colony. Yet, it was announced last night that the U.S. State Department had confirmed that their ambassador's statements were in accordance with their policy.

Mr. Speaker, here is my question. If we are not a U.S. colony, does the federal government or the Prime Minister have anything to say or any action to take in respect of a government like, for example, the government of Mr. Bourassa in Quebec who is squandering the province's natural resources for the benefit of Americans, and is spending his time in the United States trying to borrow for the James Bay project, for Quebec Hydro, etc.? Does the central government have anything to say to prevent Quebec from becoming a U.S. colony?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know whether I can answer the whole question, but as regards the first part of it, I want to assure the hon. member, as I think I did a moment ago, that the alleged statement by the Secretary of State that ambassador Porter was authorized to say what he said, that so-called news is false and that the Secretary of State himself, Mr. Kissinger, is not of that opinion. Now, it would be surprising that his department would have a different opinion from his.

Mr. Caouette (Témiscamingue): Mr. Speaker, on a supplementary.

I just spoke of the province of Quebec. To enable it not to become an American colony, would the federal government allow it to borrow directly from the Bank of Canada, at home, instead of it having to borrow from the Americans to develop our natural resources?

Mr. Trudeau: Mr. Speaker, I shall make sure Premier Bourassa is acquainted with the advice the Social Credit leader is giving him.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have one last supplementary.

Is the Prime Minister aware of the statement made by the Americans, since the Social Credit victory in British Columbia, that the results of the election are giving American investors renewed confidence in that province and even throughout Canada? Does the Prime Minister intend to take steps similar to those taken by the Social Credit Party in British Columbia?

Mr. Trudeau: Mr. Speaker, I cannot say to whom the results of the election have inspired confidence, but I do know they have considerably reduced that of hon. members sitting to the right of the hon. member.

* * *

[English]

PUBLIC SERVICE

SUGGESTED INSISTENCE EMPLOYEES PROVIDE SERVICE IN BOTH OFFICIAL LANGUAGES—POLICY ON PAY DIFFERENTIAL

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. It relates to the motion by the hon. member for Lachine under Standing Order 43 at the beginning of the proceedings and to the reports today of the intention of certain federal public servants to embark on a policy of supplying federal government services in Quebec in one language only. Having regard to the policy of the government, and indeed, the expressions of this parliament with respect to the matter, can the President of the Treasury Board assure the House that the government intends

to insist on federal service being made available in both languages in accordance with the established guidelines of this House?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I have no difficulty in asserting that those who have bilingual positions in the province of Quebec will have to comply with the legislation of Parliament and offer services in both official languages. Moreover, the problem is being discussed with the National Council, but we have made some progress on this problem. We are not in a position to come to an agreement with the union at this time and the negotiations with the union representatives are proceeding. Once we have come to an agreement, we will announce the change if necessary but I do not intend to yield to threats, be it on January 1, 2 or 3 next.

[*English*]

Mr. Baker (Grenville-Carleton): Since the question seems to have arisen as a result of a demand for a pay differential for second language skill, which the President of the Treasury Board and, indeed, the Minister of Public Works have indicated is now before cabinet in the form of a proposal and upon which they have also said no decision has been made heretofore with respect to that problem, would the President of the Treasury Board advise the House what is the policy, if any, on the question at this moment, and is the government contemplating any change in the existing policy at this time?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have already advised the House and the committees that, as far as I am concerned, if someone has to work in both official languages, this adds to the difficulty of the task. It can be seen very easily: when I use the other official language of the country, I must make a little more effort. We decided to consider this aspect and to add certain points in the classification of employees who must work in both languages, but this problem is not solved at this time because we are discussing with the union the mechanisms which are to be established. Once we have found mechanisms which are acceptable to the representatives of both the employees and the government, we will act but we are not in a position to announce the solution of this problem at this time.

* * *

[*English*]

TRADE

INCREASE IN CURRENT ACCOUNT DEFICIT—GOVERNMENT MEASURES TO OVERCOME

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce, and I should like to welcome him back from his odyssey to France where he has been searching for orders which seem harder to find day by day. As the $250 million increase in our international current account deficit in the third quarter was caused largely by rising imports and falling exports, has the minister any plans for correcting this very serious situation, and if so, when may we expect to hear of them?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, obviously this is a continuing campaign and program, and unlike what the hon. member seems to have suggested, I think we made a very good start on changing that situation in Europe. The 30 top businessmen who were with me rolled up orders amounting to several millions of dollars. The forecasts are for a substantial increase in trade between the two countries in the immediate future, and I hope to repeat that in other countries as well.

● (1430)

Mr. Hees: Mr. Speaker, the minister's answer sounds good but I am afraid it has a very close resemblance to the broken record of his predecessor which he played during the past three years while imports kept rising and exports kept dropping. May we expect something a little more concrete than we have been told we could expect over this period?

* * *

GOVERNMENT ADMINISTRATION

SUGGESTED RE-ALLOCATION OF UNUSED FUNDS FOR LOCAL INITIATIVES PROGRAMS

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I should like my question to be answered by the President of the Treasury Board.

An hon. Member: So would we.

Mrs. Holt: In view of the restraint programs to which we as a government are committed and in view of the reported, or rumoured, plans to cut back on LIP, OFY and hopefully Canada Council and other grants, and since there are members like myself—the hon. member for Vancouver East, the hon. member for Burnaby-Seymour and others—who have large sums of unused public moneys left over from our LIP allocation—

An hon. Member: Oh you have, have you?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mrs. Holt: —because we rejected phony make-work applications, would the President of the Treasury Board consider restoring these unused public funds to general revenues for all Canadians rather than them being allowed to go into a slippage fund, as was the custom in the past?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I want to thank the hon. member for the generous offer she makes to the government, and I will discuss it with the Minister of Manpower and Immigration.

Oral Questions

[*English*]

EXTERNAL AFFAIRS

ANGOLA—INTERVENTION BY CUBA AND RUSSIA—POSSIBLE TOPIC OF DISCUSSION WITH DR. KISSINGER AND PROTEST BY CANADA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister which is really supplementary to the one asked by the Leader of the Official Opposition. In view of the recent statement by the United States Secretary of State, Dr. Kissinger, that the United States cannot remain indifferent to Soviet and Cuban intervention in Angola and that continued intervention could have serious consequences for east-west détente, I should like to ask if this matter was discussed during Dr. Kissinger's visit to Ottawa and if the Canadian government, in the interests of world peace, has sent a note of protest to Russia and Cuba imploring those countries to stop their militaristic imperialism in Angola?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Canadian government has repeatedly—and particularly at the United Nations—made statements protesting this type of foreign intervention in local conflicts. That remains our position and it applies to all countries intervening in whatever conflict. I know of no specific note having been sent to the countries mentioned by the hon. member.

* * *

AGRICULTURE

GOVERNMENT MEASURES TO PREVENT PREDICTED DROP IN FARM INCOME—POSSIBLE DECLINE IN FOOD PRICES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, a question for the Minister of Agriculture. In view of the report of Statistics Canada to the Agriculture Outlook Conference yesterday that net farm income might drop by as much as 25 per cent next year, can the minister inform the House what specific programs he might announce to prevent such a sharp drop in farm income?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if I could predict world conditions I would also be able to say what these figures actually mean. Some of the figures given last year were wrong and I am hoping they are wrong again this year. What they said was going to happen last year did not happen.

Mr. Nystrom: A supplementary question. At the same conference the president of Dominion Stores predicted that food prices would rise 10 per cent or 15 per cent during the next year despite the predicted fall in farm income. If that is the case, can the minister assure the House that if farm income is to fall he will see to it that the price of food at the retail counter will also go down?

Mr. Whelan: Mr. Speaker, if the report given to me is the same as the one the hon. member speaks of, the person he is talking about said it would not be because of what farmers receive for the food but it would be other costs involved in handling that food that would raise the price.

[Mr. Chrétien.]

[*Translation*]

BUSINESS OF THE HOUSE

PROPOSAL TO ESTABLISH FIXED DATES FOR ADJOURNMENTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, during this session—and I wish to ask my question to the President of the Privy Council—I put forward a motion that appeared to rally the views of all hon. members concerning the session periods within a year.

My question is the following: can the minister tell us whether he had any consultation about that and whether studies have been made as promised concerning the organization of the business of the House, by taking into consideration the school calendar as far as possible throughout Canada, in order not to experience situations such as the one we are faced with every six months when the time comes to adjourn the House?

* * *

[*English*]

AGRICULTURE

INCREASE IN PRICE OF CATTLE FEED—PROPOSED REFERENCE TO ANTI-INFLATION BOARD

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to put a question to the Minister of Agriculture. Is the minister aware that the cost of some cattle foods and in particular brewery grain, is skyrocketing because certain suppliers seem to be in the process of forming a monopoly and in consequence many calves are being slaughtered at birth because it is impossible to raise them economically? If the minister is aware of this, is he prepared to have it referred to the Anti-Inflation Board for study?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it has not been brought to my attention that distilled mash or grain is being sold at an exorbitant price but I shall look into it. In light of what the hon. member has said, I am sure the efficient Anti-Inflation Board will investigate.

* * *

TRADE

POSSIBLE REVISION OF CANADA-UNITED STATES AUTO PACT—REQUEST FOR INCLUSION OF PARTS INDUSTRY AND PRICE PARITY FOR VEHICLES

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, a question for the Minister of Industry, Trade and Commerce. In view of the fact that a committee within the Department of Industry, Trade and Commerce is studying possible revisions ot the autopact, will the minister assure the House that this committee will, as a priority, study carefully the position of the auto parts industry to see if this industry group can be brought in under the autopact in any autopact revisions recommended by the committee?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not quite sure what the hon. member means by being "brought in under the autopact" because, of course, it already is, for all practical purposes. There may be some distinctions that I do not understand from the question but I would be glad to consult with the hon. member on it.

Mr. Kempling: A supplementary question. Can the minister assure the House as well that although the automobile price parity is outside the autopact, the committee will carefully study this subject and determine whether it can be brought into the pact or whether separate letters of commitment can be secured from the manufacturers to assure price parity as soon as possible?

Mr. Jamieson: Yes, Mr. Speaker, I shall be glad to take note of the hon. member's representations.

* * *

COMMUNICATIONS

POSSIBILITY OF TRANSFERRING RESPONSIBILITIES FROM OTHER DEPARTMENTS TO COMMUNICATIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Communications. Is the government giving consideration to the transfer of certain responsibilities currently exercised by the Department of the Secretary of State to the Department of Communications, such as responsibility for the CBC, which was being contemplated apparently at the time Pierre Juneau was appointed minister of communications?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the distribution of responsibilites within the government rests with the Prime Minister.

Mr. Beatty: Mr. Speaker, could I refer this question to the Prime Minister? I am not sure if he heard it. Is consideration still being given to transferring some responsibility which currently comes under the responsibility of the Secretary of State, such as the CBC, to the Department of Communications as was apparently intended at the time of Pierre Juneau's appointment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am always happy to receive suggestions from the other side on the reorganization of the administration or portfolios but at the present time nothing is being contemplated.

DATE OF APPOINTMENT OF CHAIRMAN OF RADIO-TELEVISION COMMISSION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): A supplementary question. Can the Prime Minister tell the House why the CRTC is being required to drift without a permanent chairman since August 29 when Pierre Juneau was appointed minister of communications and when does the government intend to announce the appointment of a permanent chairman for the CRTC?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the intention has been to wait until the minister was appointed to proceed with that appointment. As the hon. member knows, Mr. Juneau did not remain minister long enough to confirm that. I am sure that the new minister, in discussions with me, will be able to appoint a permanent chairman very soon.

* * *

● (1440)

INCOME TAX

REASON FOR EARLY MAILING OF FORMS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of National Revenue. In view of the usual Christmas postal rush and the backlog of mail remaining from the recent Post Office shutdown which, until as recently as yesterday, included the hundreds of bags of mail stashed away on Parliament Hill, why did the Department of National Revenue find it necessary to send out millions of personal income tax forms, when they will not be needed for several weeks at least and some people probably do not care if they ever get them?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I thank the hon. member for his question. I want him to know how efficient the department has become. We want to send the material out as soon as we can, so that people can see how easy it is to fill out income tax forms.

* * *

ADMINISTRATION OF JUSTICE

POSSIBILITY OF MANDATORY SENTENCES FOR VIOLENT CRIMES—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Justice. Since, because of his efforts, juggling and dealings with personnel of the committee, we are to have mandatory sentences for second or third breathalyzer offences, and as the former minister of justice said he did not favour mandatory sentences for crimes such as extortion with kidnapping, is it now the minister's policy to bring in mandatory sentences for crimes of violence like kidnapping with extortion, or any crime committed with the use of firearms.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, there are no minimum mandatory sentences for these offences. The minimum mandatory sentences for second offences of impaired driving have been in the Criminal Code for some years, and there is no change in that regard in Bill C-71.

Mr. Woolliams: A supplementary question, Mr. Speaker. Since section 247 of the Criminal Code deals with kidnapping and since the words "liable to imprisonment for life" mean in law that an offender may be imprisoned for one day or for life, I ask again, will the minister's new policy call for mandatory sentences in cases of violent crime, and will he implement this policy in the same way as he seeks to implement law and regulations with respect to the breathalyzer test?

Mr. Basford: Mr. Speaker, whatever legislation will be brought down, will be brought down in due course, and sentences will be shown in it. I assure the hon. member that, in my opinion, there is not an argument generally for having long mandatory sentences included in the Criminal Code.

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[*Translation*]

BILINGUALISM

SUGGESTION BILINGUAL BONUS BE GRANTED TO QUEBEC EMPLOYEES BEFORE END OF YEAR

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I would like to ask the President of the Treasury Board a question following others which were put to him previously in the House.

Considering that the Official Languages Act grants parity of salaries to civil servants working in bilingual positions throughout Canada, and considering that secretaries working in bilingual positions in Quebec are paid the 7 per cent bonus granted for bilingualism, can the President of the Treasury Board tell the House if the representatives of the Public Service Alliance of Canada and those of the Treasury Board are agreed and will rush through the discussions so that the salary scale for civil servants working in Quebec in positions classified as bilingual may be reviewed before the end of this year?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, this is a major problem which does not concern only such civil servants who are working in Quebec; it concerns also all civil servants working in both languages throughout Canada. We are making progress and hope a solution will be found very shortly. On the other hand, as far as the reference to bilingual secretaries is concerned, the policy which had been announced several years ago to meet an emergency was an exceptional one. As for other functions, we intend to follow a different path than the one which was then followed, namely granting a 7 per cent bonus.

* * *

[*English*]

FOREIGN INVESTMENT

APPLICATION OF SWIFT COMPANY TO PURCHASE CHECKERBOARD FOODS—REQUEST FOR EARLY ACTION

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. I shall direct a supplementary to his colleague the Minister of Industry, Trade and Commerce. In the absence of the former minister, may I direct my question to his parliamentary secretary? Is the minister aware of an application from Swift Canadian Co. Ltd., to purchase the property and equipment of Checkerboard Foods Ltd. of Ingersoll, Ontario, which is presently before the Bureau of Competition Policy of his department, with interviews scheduled for tomorrow, and is he aware that failure to process this application by January 1, 1976, will result in 160 people being laid off in Ingersoll as of that date?

[Mr. Woolliams.]

Mr. Art Lee (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Lee: I am aware that an application for this acquisition is presently under consideration by the Foreign Investment Review Agency. In the course of their review process the agency seeks the advice of the Bureau of Competition Policy in my department as to the competitive effects of such acquisitions. The director of the Combines Investigation Act has already provided the Foreign Investment Review Agency with his views on the proposed acquisition. However, both the Foreign Investment Review Act and the Combines Investigation Act require that their proceedings be carried out in private until such time as such proceedings may become public in the ways allowed under the legislation. I am not aware of the details relating to this matter and I am not aware of any reason why the target plant will be closed on January 1, 1976.

APPLICATION OF SWIFT COMPANY FOR PURCHASE OF CHECKERBOARD FOODS—REASON FOR REVIEW BY BOARD

Mr. Bruce Halliday (Oxford): Mr. Speaker, may I address my supplementary question to the Minister of Industry, Trade and Commerce? With further reference to the same application of Swift Canadian Co. Ltd. to purchase only the real estate and equipment of Checkerboard Foods Ltd., why is it necessary that the Foreign Investment Review Agency approve of this transaction, when no inventory, stock or accounts receivable are involved, acknowledging that if the target company were to have shut down and laid off its staff a few months ago a sale of the property now would not come under the purview of the Foreign Investment Review Agency?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, if I may give chapter 2 of the reply?

Some hon. Members: Hear, hear!

Mr. Jamieson: As hon. members know, it is not appropriate to discuss matters before the Foreign Investment Review Agency; but I am sure note will be taken of the hon. member's representation.

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MULTICULTURALISM

REASON FOR DOWNGRADING THIRD LANGUAGE TEACHING IN SCHOOLS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Labour who is responsible for the program of multiculturalism. Since the O'Brien report and the Canadian Consultative Council on multiculturalism stressed the absolute necessity for third language teaching in schools, if the multicultural character of Canada is to survive, why has the minister downgraded such help for language training in schools?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I did not downgrade it. Actually, I indicated to the voluntary sector working through the grant program, and people in the ethno-cultural groups who are prepared to assist in this regard, that such assistance will remain a component of the program. Actually, we shall be able to put more resources into it. But I indicated the reality of the situation. Certainly, the educational system is the responsibility of the provinces, and it seems to me that they should extend the type of aid of which the hon. member talks.

Mr. Orlikow: A supplementary question, Mr. Speaker. Will the minister explain the apparent change in policy, evident from speeches he has made? Apparently he has done this without meeting formally with the Canadian Consultative Council, which the government appointed. The minister seems to have done this either by consulting with a few of his officials, or engaging in informal discussions with members of the council or other people.

Mr. Munro (Hamilton East): Mr. Speaker, I certainly have been meeting with the Canadian Consultative Council on an ongoing basis. I have been meeting people all across the country and talking about the various aspects of the policy and the direction in which it should go. In addition, I have met directly many ethno-cultural groups of this country. As late as last night I was talking to the Germany community in Kitchener about this aspect of the policy.

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PENITENTIARIES

INQUIRY AS TO STATUS OF PROPOSED INSTITUTION AT STURGEON, ALBERTA

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Solicitor General. What is the status of the proposed medium and maximum security penal institution in the municipal district of Sturgeon, Alberta?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we are re-examining that particular site for a penitentiary but we would like to stay there. We have already purchased land and spent a good deal of money on development. We have already spent $213,000, and when we went to that site, we had the support of the provincial government. So it would be with great reluctance that we would withdraw from the site. But we are considering representations.

● (1450)

Mr. Elzinga: In view of the fact that the construction permit issued by the municipal district has expired, and bearing in mind the minister's statement that if the general public in the surrounding area were opposed to the prison he would alter his proposal, would the minister explain why a sum in excess of $200,000 was spent on feasibility studies before the public had an opportunity to express their opinion with regard to the choice of this site?

Mr. Allmand: Well, Mr. Speaker, we started working on this site more than a year ago and although it was known, or should have been known, that we were doing so, no objections were raised until very much later. As a matter of fact, the local authorities and the provincial government, gave us the go-ahead. A lot of work had been done before any protests were made. They came much later.

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CANADIAN BROADCASTING CORPORATION

PROTEST AGAINST PROGRAM "THE SIX YEARS OF WAR"

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I should like to direct a question to the Secretary of State. In view of the fact that on Sunday evening, November 30, the CBC saw fit to portray a television play "The Six Years of War" which emphasized out of all proportion the lewd side of service life rather than the honourable intentions of the many who volunteered their services in time of war, I should like to ask the minister on behalf of the many veterans and others who have officially protested this presentation through the Royal Canadian Legion whether he would intercede with the CBC with a view to seeing that future presentations which are in extremely bad taste will be prohibited from being viewed on our national network?

Hon. James Hugh Faulkner (Secretary of State): I will make sure that this representation gets to the corporation.

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NATIONAL PARKS

PROPOSED EXPANSION OF ST. LAWRENCE ISLANDS PARK—REASON FOR ATTEMPTS TO PURCHASE LAND

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development and a short supplementary to the Minister of Supply and Services. I should like to express my appreciation to the Minister of Indian Affairs for the courteous almost two-hour hearing he gave representatives from my constituency concerning the expansion of the St. Lawrence Islands Park.

Some hon. Members: Hear, hear!

Mr. Cossitt: While the minister guaranteed that no negotiations for the purchase of private property would take place in the area until certain studies had been made, can the hon. gentleman tell the House why persons claiming to represent the Department of Supply and Services have been negotiating and attempting to purchase certain islands and land in the area? Has Parks Canada become aware of this?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): As I stated to the hon. member earlier, approximately 20 individuals have come forward and offered their land and there have been discussions.

However, subsequent to the meeting to which the hon. member referred I asked that a hold be placed on any negotiations and that nothing further should be done. There is one problem: we may have reached a point at which we have a legal obligation toward three of these individuals. I am not certain of this yet and have asked that it be verified.

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STATUS OF WOMEN

REQUEST FOR OUTLINE OF MEASURES TO IMPROVE STATUS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, may I direct a question to the Prime Minister? In view of the fact that there are only 15 days left before the end of International Women's Year, will the right hon. gentleman advise the House specifically what he has done for the women of this country during the past year?

Some hon. Members: Oh, oh!

Mr. Hees: Let's hear it, Pierre!

* * *

AIR TRANSPORT

POSSIBILITY OF RESTRICTIONS ON UNILINGUAL PILOTS—GOVERNMENT POSITION

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a question to the Minister of Transport? Is he or his department considering placing any restriction on the licensing of unilingual English-speaking pilots flying into the Province of Quebec in Canadian air space or on uniligual French-speaking pilots flying from the Province of Quebec into the remainder of Canadian air space? If not, is it the intention of the government to impose any such restrictions?

Hon. Otto E. Lang (Minister of Transport): The existence of English and French controls throughout the country makes a simple negative to the first part of the question straightforward. As far as the second part of the question is concerned, the only issue at the moment is the broad one of the pilot's basic ability to perform the functions which are required having regard to the control facilities which are available.

GOVERNMENT ACTION TO ENSURE SAFETY WHEN ADOPTING BILINGUAL AIR TRAFFIC CONTROL REGULATIONS

Mr. Erik Nielsen (Yukon): In the light of the answer given by the minister, may I ask what precautions or extra safeguards are under consideration by his department in order to avoid tragedies which are inherent in the examples of near-misses which come to our attention—there was one recently when a matter of a mere 20 to 40 feet separated two jumbo aircraft in the United States where only one language is being used. What extra precautions are being taken by the department to avoid this additional safety hazard which his policy will likely cause?

[Mr. Buchanan.]

Hon. Otto E. Lang (Minister of Transport): The main precaution I think I shall have to take is to avoid misapprehensions which the hon. member may create in trying to relate particular instances to the language question.

Some hon. Members: Hear, hear!

Mr. Lang: As he pointed out, the incident to which he referred occurred in another country where one language is in use. Canada has a record, I think I can safely say, as having one of the safest procedures anywhere in the world with respect to air space and flying procedures. It is our intention to uphold that standard. We are confident we can do so and, in addition, better meet the needs of people using both languages.

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THE CANADIAN ECONOMY

REQUEST FOR ESTIMATE OF REAL GROWTH AND JOB CREATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I wish to direct a question to the Minister of Finance. In November, 1974, the former Minister of Finance predicted that real growth in the economy in 1975 would be four per cent and that a quarter of a million new jobs would be created. As there are now only 15 days left in the year, and since only 123,000 jobs have been created to date, would the minister indicate what is likely to be the real growth in 1975 and what will be the shortfall as compared with the prediction of the former minister with respect to job creation?

Hon. Donald S. Macdonald (Minister of Finance): As the hon. gentleman will recall, in the budget of June, 1975, my predecessor had something to say on the same question.

Mr. Stevens: Would the minister indicate what his prediction is for 1976 concerning real growth in the Canadian economy and job creation in that year?

Mr. Macdonald (Rosedale): Mr. Speaker, I would say that my aspiration is 5 per cent. But there are a lot of factors, of course, which are beyond my direct control.

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NATIONAL PARKS

JASPER—POSSIBILITY CANADIAN NATIONAL DIVISIONAL HEADQUARTERS WILL BE RELOCATED—CONSULTATION WITH RESIDENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Would the hon. gentleman advise the House whether the parks branch has dedicated any funds to having studies made of the question of relocating the divisional headquarters of the CNR and its facilities away from Jasper National Park? What has been done with regard to consulting the people of Banff and Jasper and neighbouring regions with regard to this matter?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, an extensive study has been under way for the last 12 to 18 months involving the citizens of Jasper and employees of the CNR. A very substantial report has, I understand, just arrived and a summary is being put together for me.

Mr. Lambert (Edmonton West): When does the minister expect to make any definitive announcement taking into account the traditional history of the park and the CNR, recognizing that the park was created for the railroad and that people ought to use the park, not just the bears?

Mr. Buchanan: I hope to be able to do that shortly after the turn of the year, Mr. Speaker.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. JELINEK—ALLEGED DISPARAGING REMARKS BY MINISTER

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise on a question of privilege pertaining to remarks made by the Minister of Consumer and Corporate Affairs (Mr. Ouellet) yesterday, as well as on previous occasions, when attempting to answer simple and straightforward questioning. As the Chair will recall, I rose on a point of order yesterday on the same matter and suggested that the minister in question once again implied in his statement what I believe to be racial overtones against me. The Chair then asked that, if there was any information to that effect, it should be brought to the Chair's attention. I would, therefore, like to refer back to other statements which this minister has made in this House to show, by a course of conduct, that his statement made yesterday suggesting that my questioning of the Olympics, in his words, once again "hides ulterior motives", ties in with his previous statements relating to the same subject matter.

● (1500)

On March 8, 1974, as reported at page 332 of *Hansard*, when referring to me and to my involvement in Olympic questioning, the minister, who was then the postmaster general, said:

—he continues to throw mud to discredit Quebecers. This is the typical way to act for some members of the Progressive Conservative party.

Another statement accredited to the same minister, again referring to me and my party:

They unduly and incorrectly pestered us in committee through the voice of this member who keeps on sullying Quebecers. The PC party continue to divide people in this country—

And yet a further statement made in this House by the same minister, again referring to my party and myself, to quote *Hansard* once again:

They are opposed to everything stemming from or directed to the province of Quebec. The Progressive Conservative members are against French Canadians and they always have the odd greenhorn to sully people.

There is no question in my mind, when the minister said yesterday that as a result of my questioning on the financing and staging of the Games I was trying to hide ulterior motives, that through a course of conduct tied to his previous statements he was implying, once again, by racial overtones, that I am not only anti-Olympics but anti-French Canadian and anti-Quebec as well. If the minister would take time to check the records he would find that his implications are totally and absolutely incorrect and unjustified.

Some hon. Members: Hear, hear!

Mr. Jelinek: There is no question that a pattern of not only racial overtones but direct racial accusations has developed from the minister's continuing statements relating to my Olympic questioning. One can only assume that the reason for this attitude is to attempt to hide the obviously incompetent manner in which the government has handled the Olympic situation from the outset, particularly during the period the minister held the Post Office portolio.

I have made plain the basis of my question of privilege, and if it were not for the fact that this session is drawing to an end, with much important government business to be attended to, I would move a motion to have this matter referred to the Standing Committee on Privileges and Elections. Instead, Mr. Speaker, I hope that the Minister of Consumer and Corporate Affairs will take this opportunity to withdraw the racial implications which he continues to make against me.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if I may speak to the question of privilege, I should just like to ask permission of Your Honour and the House to allow the minister to answer this point when he is next in the House. Today he is in Montreal on official business; he is opening an office for consumers. I know he would want to deal with this matter very seriously, so if it is acceptable I would ask that the matter be stood over till tomorrow.

Mr. Speaker: It seems only reasonable, before any decision is made by the Chair, that both sides be heard. Notwithstanding the fact that no motion is attached to the hon. members question to give the Minister of Consumer and Corporate Affairs (Mr. Ouellet) an opportunity to make a contribution to the point. Therefore, the point will stand over until that time.

[*Translation*]

Mr. Lambert (Bellechasse): I rise on a point of order, Mr. Speaker.

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

Mr. Lambert (Bellechasse): Thank you, Mr. Speaker. During the question period you recognized me to allow me to ask a question, and I thank you for it. My question was directed to the President of the Privy Council (Mr. Sharp). I do not know, Mr. Speaker, if the simultaneous translation

might have been effective but, in any event, knowing the usual courtesy of the President of the Privy Council I am convinced in advance that he would have answered my question.

Since the question I asked related to this Parliament as a whole and was supplementary to a question I have previously asked in this session which seemed to meet the approval of all colleagues in this House about setting up a calendar for session periods which would correspond as much as possible to the school calendar in order to allow parliamentarians to be able to live a family life during two or three periods in the year, especially as there is now a private bill before this House which was tabled by an hon. member and which is also in agreement with the proposal I had made on that occasion, and since the President of the Privy Council at the time stated in this House that he would recommend to the Standing Committee on Procedure and Organization that it examine that question, which is very serious not only for parliamentarians themselves but for the efficiency of Parliament as such because I consider that when we have in advance a well determined calendar I think that every parliamentarian will do all he can to give his full effort to meet the obligations he has to meet in the given period.

So my question was this: Can the President of the Privy Council say today where things stand in respect of that matter, and will the government be introducing soon a session calendar so that we can work with more efficiency, more assurance and waste less time on useless discussions: Are we going to adjourn or are we not going to adjourn?

That is my point of order, Mr. Speaker. And if you allow the President of the Privy Council to be kind enough to answer my question I would be very happy about that, and I thank you in advance.

[*English*]

Mr. Sharp: Mr. Speaker, I apologize to the hon. member, but either I was inattentive or the translation facilities were not perhaps working properly and I did not catch the introduction to his question. I am very sympathetic to the hon. member's desire to be able to know when we can leave this House for our constituencies and for home. For example, by Friday of this week—I have given notice of this over and over again—it was the desire of the government to rise. However, it is not really for me to say whether we will or not, since there is some government business still uncompleted. I am still hopeful that that will be the case.

I should also like to say to the hon. member that in the Standing Committee on Procedure and Organization, on which his party has a representative, we have established a subcommittee on the management of time, and I am hopeful that that subcommittee will be able to arrange affairs in such a way that we can have a more definite idea when we can go to our constituencies.

[*Translation*]

Mr. Olivier: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. The hon. member for Longueuil (Mr. Olivier) on a point of order.

[Mr. Lambert (Bellechasse).]

Mr. Olivier: Mr. Speaker, I wish to raise a question of privilege concerning the decisions you make so that members on this side are not recognized during the question period. I would respectfully submit to you, Mr. Speaker, that if we consider the jurisprudence used in England, members have the floor in turns no matter which party they belong to. No matter which party we belong to, Mr. Speaker, we are all equal. Mr. Speaker, some months ago you ruled that a parliamentary secretary could not ask questions. Today you followed the practice whereby only two government members are entitled to ask questions. I think that this is illogical and that you violate the member's privileges.

Mr. Speaker: I only wish to tell the hon. member that perhaps he felt better yesterday when I think three or four government members asked questions. It changes with each sitting.

● (1510)

[*English*]

Mr. Baldwin: I rise on a point of order, Mr. Speaker. The hon. member may have a good point, but probably members on the government side could take 15 minutes before their Wednesday caucus in order to get the answers in caucus.

Mr. Cossitt: Mr. Speaker, I rise on a question of privilege having to do with a question I asked during the question period today, a short while ago. It seems to me a very serious matter when a minister of the Crown, in this case the Minister of Indian Affairs and Northern Development (Mr. Buchanan), has announced a freeze on the purchase of private land in the St. Lawrence Islands area and advises the public accordingly, by public statement, while at the very same time another minister of the Crown, purportedly the Minister of Supply and Services (Mr. Goyer), apparently permits two persons, claiming to be his representatives, namely, William Fraser and Robert Fraser, to go contrary to this freeze and as recently as the last few days attempt to negotiate the purchase of some of this very same land.

My question of privilege is that the Minister of Supply and Services should either disassociate himself completely from this event or, if it has happened, I think I am in order to suggest that he should explain to this House why he, by his very behaviour, would be going contrary to an arrangement made by another member of the cabinet and an understanding given to the public and members of this House.

[*Translation*]

Mr. Olivier: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. The hon. member for Longueuil (Mr. Olivier) on a point or order.

Mr. Olivier: Mr. Speaker, I would simply like to ask you to look into the statistics and you will realize that 10 per cent more members from the opposition side are recognized than from the government side, and that by your own decision.

So, when you say that government members are allowed to put three or four questions, I think you have not taken a

good look at the figures. May I suggest you review the statistics and you will realize that, during the question period, you continually recognize the opposition. It is wrong to pretend that government members are granted the same privilege.

Mr. Caouette (Témiscamingue): Mr. Speaker, on the point of order raised by the hon. member for Longueuil (Mr. Olivier), let us not forget that the oral questions period lasts only 45 minutes. And according to tradition, its purpose is to allow members of the opposition parties to put questions to the government. That was how things worked when we had a Progressive Conservative government. I know what I am talking about because then also I was in the opposition.

Mr. Speaker, I think government members have nothing more to do than phone the ministers and let members of the opposition have the floor to ask the government questions so that democracy be respected.

JUSTICE AND LEGAL AFFAIRS

Fifteenth report of Standing Committee on Justice and Legal Affairs—Mr. Lachance.

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

QUESTIONS ON THE ORDER PAPER

[English]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,331, 3,469, 3,508, 3,511, 3,585, 3,615, 3,624, 3,631, 3,636, 3,637, 3,643, 3,648 and 3,658.

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

[Text]

SPORT FISHING AMENDMENTS—1976

Question No. 3,331—**Mr. Brisco:**

What measures have been taken by the Ministry of State (Fisheries) to ensure that sports fishing amendments for 1976 will be gazetted before the end of May thus avoiding the unwarranted delay which was experienced this year?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): All amendments to regulations are processed through the Fisheries and Marine Service with a minimum of delay, once proposals are received from regional or provincial offices. Provincial authorities have been requested to present their proposed 1976 amendments as soon as possible after the close of the 1975 sports fishing seasons. To date these have not been received from any of the provinces.

Order Paper Questions

POST OFFICE DEPARTMENT

Question No. 3,469—**Mr. Munro (Esquimalt-Saanich):**

1. What is the pay range for (a) PO1 (b) PO2 (c) PO3 (d) PO4 (e) PO5 (f) PO6 (g) PO7 (h) PO8 (i) PO9 (j) PO10?

2. How many employees were there in the Post Office Department at the levels (a) PO1 to PO5 (b) PO6 to PO10 in (i) 1966 (ii) 1968 (iii) 1970 (iv) 1972 (v) 1974 (vi) 1975?

3. What is the job description of each PO level?

4. (a) What are the duties of the employees of the Marketing Services Branch of the Department (b) at what level are they first appointed (c) how many have entered the Branch each year since 1970?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1.

(a)	$ 8,619– 9,078	The rates shown for PO1-PO5 will be amended on signing of the contract
(b)	8,390– 8,828	
(c)	8,786– 9,266	
(d)	9,057– 9,579	
(e)	9,224– 9,767	
(f)	11,971–12,606	
(g)	12,752–13,431	
(h)	13,588–14,313	
(i)	14,481–15,257	
(j)	15,844–16,695	

PO3 (LC-MSC) $10,873–11,353 (Letter Carrier–Mail Service Courrier); PO5 (SLC-MSC(R)) $11,416–11,958 (Supervisory Letter Carrier–Mail Service Courrier (Relief))

2.	31-3-71	31-3-72	31-3-74	31-3-75
(a)	27,230	28,853	32,697	35,160
(b)	2,904	3,028	3,281	3,660

Figures are not available prior to 1971.

3. PO1—Postal Coders; PO2—Mail Handlers; PO3—Letter Carriers, Supervisory Mail Handlers, Mail Service Couriers; PO4—Postal Clerks; PO5—Despatchers, Supervisory Letter Carriers, Mail Service Couriers (Relief); PO6—Postal Officers; PO7—Postal Officers; PO8—Postal Officers; PO9—Postal Officers; PO10—Postal Officers.

4. (a) The duties of the employees of the Marketing Services Branch of the Post Office Department are unique to Post Office Headquarters and the branch is exclusively a service branch. Marketing Services provides technical marketing assistance and expertise; to the Post Office in general, to the regions, and to other marketing branches; in the areas of: domestic and international pricing and methods; economic and market research; environmental forecasting; revenue and volume forecasts; rates and pricing analysis; analysis of sales results; marketing information systems; development and coordination of marketing planning activities; and in the preparation of official briefs to other government agencies or National Postal User Associations. Personnel of the Marketing Services Branch also manage the administrative functions of the Headquarters marketing directorate relating to personnel and budget matters. (b) As in any other branch in the public service, appointments can be made at various levels depending on

previous job experience and level of education. The most common levels of entry are: CR3, CR4, ST-SEC-3, AS1, AS5, and ES1. (c) The Marketing Services Branch evolved as the result of a major conceptual and organizational change in the Post Office, Marketing Directorate in April of 1974. Eighteen existing positions and the people in these positions were reorganized under Director of Marketing Services. Five positions were created and staffed in 1974 to fulfil the new role of the Marketing Services Branch. This made a total of twenty-three people. Since that time eight people have left the branch and they were subsequently replaced.

EXPORTS OF COAL TO JAPAN IN 1974

Question No. 3,508—**Mr. Forrestall:**

Is the government aware of the cost in 1974 of shipping Canadian coal from Robert's Bank, British Columbia to Japan and (a) if so, what was it (b) if not, for what reason?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: see reply to question No. 3,511.

EXPORTS OF MINERAL ORE AND CONCENTRATES TO JAPAN IN 1974

Question No. 3,511—**Mr. Forrestall:**

Is the government aware of the cost in 1974 of shipping Canadian mineral ore and concentrates to Japan and (a) if so, what was it (b) if not, for what reason?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: the cost of shipping concentrates to Japan is the cost of handling and transportation between mine and smelter destination. These detailed costs for 1974 would be known by the companies involved in the transactions. However, the government maintains a general awareness of the order of these costs which can be described as follows. Mineral products each with total volume greater than 100,000 tons exported to Japan in 1974 were: Iron Ore, direct shipping, 207,000 short tons; Iron Ore, concentrates, 4,377,000 short tons; Iron Ore, pellets, 90,000 short tons; Iron Ore, total, 4,674,000 short tons; Copper ores, concentrates and matte, 1,200,000 short tons; Lead ores and concentrates, 190,000 short tons; Zinc ores and concentrates, 410,000 short tons; Coal, 10,993,000 short tons; Asbestos milled fibres, 146,000 short tons; Total of the above, 17,613,000 short tons. Freight rates for cargo originating in Canada and destined for Japan fell sharply in 1974. For example, a charter rate of $25/long ton was typical for 20,000 ton ships at the start of 1974. This rate fell to $14/long ton for the same size of ship by mid 1975. An average figure for 1974 for this size of ship is assumed to have been $20/long ton. Lead, zinc and copper ores and concentrates and asbestos fibres are generally shipped in this size of vessel. Iron ore products and coal are generally shipped in large vessels with considerably lower rates. Assuming the average ship size in the case of these products was 50,000 tons an average cost for 1974 would have been approximately $4/long ton for iron ore and $6/long ton for coal. In some cases Canadian mineral products are sold on a c.i.f. basis in which case the seller pays the shipping cost. In other cases Canadian mineral products are sold on an f.o.b. basis with the buyer covering shipping costs. The basis of the sale would be reflected in the selling price. The total cost of shipping Canadian mineral ores and concentrates to Japan in 1974 on the basis of the above data can be calculated approximately: (a) 1,946,000 short tons @ $20/long ton, $35,380,000; (b) 4,674,000 short tons @ $4/long ton, $16,996,000; (c) 10,993,000 short tons @ $6/long ton, $59,958,000. Total approximately, $112,334,000.

MAINTENANCE DREDGING AT, AND DOWNRIVER FROM PORT OF QUEBEC

Question No. 3,585—**Mr. Forrestall:**

1. What is the Department of Transport's best estimate of the annual cost of so-called maintenance dredging at, and downriver of the Port of Quebec?

2. Who will bear the cost of such dredging and how much of this can be apportioned to the taxpayer in Metropolitan Halifax and Saint John?

Hon. Otto E. Lang (Minister of Transport): 1. In light of the recent unacceptably high bid which was received for maintenance dredging downstream of Quebec at North Traverse, and other factors currently under review, the Department of Transport is not in a position at this time to reply to this question. In any event, it would be prejudicial to the government to indicate any of its cost estimates prior to receipt of tenders for any work. Finally, as a matter of interest, the best quantity estimate for annual maintenance in the North Traverse after its deepening was 175,000 cubic yards.

2. Government of Canada, Department of Transport, Vote 10.

DEPARTMENT OF NATIONAL REVENUE—USE OF LAW FIRMS

Question No. 3,615—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of National Revenue during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Jack Cullen (Minister of National Revenue): 1. None.

2. Not applicable.

FARM CREDIT CORPORATION—USE OF LAW FIRMS

Question No. 3,624—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Farm Credit Corporation during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises: 1. Cecil Branson, Sullivan, Smith and Bigelow, Yarrow Building, Victoria, British Columbia.

2. Fees paid to lawyers used in the constituency of Victoria, British Columbia by Farm Credit Corporation are paid as follows: (a) by the borrowers upon their directions out of the proceeds of the mortgage loans in which case Farm Credit Corporation does not maintain records of amounts so paid; (b) by Farm Credit Corporation on mortgage proceedings—Nil.

DEPARTMENT OF AGRICULTURE—USE OF LAW FIRMS

Question No. 3,631—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Agriculture during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. E. F. Whelan (Minister of Agriculture): In accordance with section 4 of the Government Contracts Regulations, the department cannot contract for legal services.

POST OFFICE DEPARTMENT—USE OF LAW FIRMS

Question No. 3,636—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Post Office Department during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. Nil.

2. Not applicable.

NATIONAL ENERGY BOARD—USE OF LAW FIRMS

Question No. 3,637—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the National Energy Board during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): National Energy Board reports as follows: 1. None.

2. Not applicable.

POST OFFICE DEPARTMENT ADVERTISING IN LACHINE, QUEBEC

Question No. 3,643—**Mr. Clarke (Vancouver Quadra):**

During the current fiscal year, have any payments been made by the Post Office Department to General Advertising Incorporated of Lachine, Quebec and, if so (a) in what amounts (b) on what dates (c) for what specific services?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): (a) The amount of advertising was $11,542.23; (b) Paid on September 17, 1975; (c) For Post Office truck signs.

SAFETY INSPECTIONS AT RAE POINT AIR STRIP

Question No. 3,648—**Mr. Schellenberger:**

1. On how many occasions was an inspection carried out of the expediting operations and air strip at Rea Point during the year prior to the Panarctic air crash?

2. What department or government body had the jurisdiction for ensuring that regular safety inspections were made?

3. Were findings and/or recommendations reported to the Department subsequent to the inspections?

Hon. Otto E. Lang (Minister of Transport): 1. No inspections were carried out of the expediting operations and air strip at Rea Point during the year prior to the Panarctic air crash.

2. Transport Canada had not assumed any jurisdiction for ensuring that regular safety inspections were carried out at private aerodromes or for privately conducted operations.

3. Not applicable.

$500 HOMEOWNER GRANTS

Question No. 3,658—**Mr. Matte:**

1. Since the coming into effect of the $500 grant programme for new homeowners, has the government granted subsidies under the plan and, if so, in what amounts?

2. How many persons have been eligible for such grant?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by CMHC as follows: 1 and 2. To November 30, 1975, 66,389 applications had been approved for the $500 grant for new homeowners, in a total amount of $33.2 million.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1975

BORROWING AUTHORITY FOR PUBLIC WORKS AND GENERAL PURPOSES

On the order:

Second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-80, an act to provide supplementary borrowing authority for public works and general purposes—*The Minister of Finance.*

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order in respect of this bill. This is an unusual situation and maybe there is an answer to the point, but I note there is no Governor General's recommendation attached to this bill, nor have we had any message from His Excellency signed by his own hand. Usually, requests of this kind have been under supply bills based on the estimates, and that would be covered if it were done in that way. On the other hand, if it is a borrowing bill—and I have never heard of borrowing without it costing money—should there not be a Governor General's recommendation?

Supplementary Borrowing Authority

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I could speak to the question. The recommendation from His Excellency is required under the British North America Act, and the recommendation is specifically for the purpose of appropriating any part of the consolidated revenue fund, or public moneys, for the purpose of expenditure. The hon. member is quite right in saying that from time to time the executive has to appropriate money for the purpose of making payments on the public debt and that is done through the normal estimates process. A borrowing bill, however, is not an expenditure bill. It is a distinctly different process of acquiring the means to pay expenditures that have already been authorized by parliament. In that sense, then, it is not covered by the provisions of the British North America Act and for this reason the Governor General's recommendation would not be required.

Mr. Knowles (Winnipeg North Centre): I am not satisfied.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre (Mr. Knowles) raises a most interesting point of order about the bill, one that has occurred to the Chair and we have given it some preliminary examination. It is true that in the past a clause to extend to the government the approval of parliament for borrowings has been part of a supply bill which in fact has, therefore, been subject to the identical restrictions in respect of borrowing recommendations, the same restrictions sufficient to include it under that umbrella of separation as a result of the ruling last week.

A separate bill to deal only with borrowings raises, in a totally new way, the question of whether it is the kind of expenditure, in and of itself, that would require a recommendation of His Excellency in order to comply with all those restrictions that have traditionally surrounded financial initiatives of the Crown. For the moment, perhaps I might indicate that, being in some doubt about the matter, I should like to reserve on the question. I think it is important that the bill not be delayed, and I understand there has been an understanding or some agreement that the bill should go through all stages this afternoon. At the moment I should like to see the bill proceed while I give some consideration to the matter.

If the bill is to be given swift passage through all stages this afternoon, then I would for the moment, perhaps, be prepared to say that because there is on the face of it a separate statutory authority under the Financial Administration Act for borrowing, because in a sense the money that is being borrowed cannot be spent without that separate authority, and subject to the scrutiny of estimates and a supply bill, it would seem the borrowing of the money is not for the purpose of expenditures which have not already been authorized, scrutinized and approved by parliament but, rather, is in respect of those estimates and supply to which parliament has already directed itself and to which a royal recommendation has been appropriately attached. Therefore, it would seem that the safeguard in that respect is adequately provided.

Perhaps what I am saying, in another way, is that for the moment I should like to see this bill go ahead. If there is not sufficient time to study the matter in respect of this particular bill, the question ought to be held over for argument at some time in the future when separate consideration can be given to the point. All my remarks to this point have been based on the understanding that the bill would go through all stages this afternoon.

[Mr. Knowles (Winnipeg North Centre).]

• (1520)

Mr. Macdonald (Rosedale): Mr. Speaker, it would have been my proposal, in my remarks on second reading, that unanimous consent be requested that this bill be referred to the committee of the whole House instead of the standing committee. I believe that is agreed.

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, we agree to that. I suggest that if during the afternoon you come to the view that a royal recommendation should be obtained, it would not take very long to get it.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I admit to some confusion at this particular stage. We seem to have gone through first reading and are now about to have second reading, and I have not even seen a copy of the bill.

Mr. Speaker: If the hon. member has not received a copy, there might be some difficulty. However, I understand that other members have received their copies.

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-80, to provide supplementary borrowing authority for public works and general purposes, be read the second time and referred to committee of the whole House.

He said: Mr. Speaker, the bill now before the House seeks to increase the statutory borrowing authority by $2 billion, retroactive to April 1, 1975. This is exactly the same increase in borrowing authority as that sought in clause 5 of the supply bill on December 9.

May I begin, Mr. Speaker, by addressing myself to the procedural questions which have arisen in this connection. The Financial Administration Act, part IV, section 36, requires that "no money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of parliament". That, of course, is the provision referred to by yourself, Mr. Speaker, in dealing with the point of order a moment ago, indicating that a specific statutory enactment is required if a borrowing authority is requested. Conversely, on the other hand, a royal recommendation is not, in my submission, required for borrowing authority. This refers to new funds—section 36 refers to new funds—since section 38 of the same act permits the borrowing of such sums of money as are required for the repayment of any securities that were issued under the authority of parliament other than section 39, and are maturing or have been called for redemption.

It has been the custom since confederation to include requests for new borrowing authority in one of the first Appropriation Acts for a new fiscal year. Furthermore, when circumstances have necessitated an increase in this borrowing authority, such increases have always been sought in subsequent Appropriation Acts. Any unused borrowing authority remaining at the end of a fiscal year is

cancelled when new borrowing authority has been granted for the new fiscal year.

The need for new borrowing powers during each fiscal year reflects several factors. It reflects the amount of expenditures approved by parliament in the main estimates, interim supply bills and supplementary estimates. It reflects the budgetary and non-budgetary financial requirements resulting from the difference between the expenditures approved by parliament and the sources of revenues approved by parliamant.

The prime justification for including the new borrowing authority in the appropriation acts is that borrowing powers to make up any shortfall between revenues and expenditures should follow fairly automatically since the shortfall and the borrowing requirements are a consequence of actions already taken by parliament. I realize that the position taken by the hon. member for Edmonton West (Mr. Lambert) the other night is basically that the Appropriation Act on that specific occasion was not the subject of debate, and I understand the House leaders are now discussing new procedures whereby we may have a discussion on that particular bill including the borrowing authority. It is the government's intention, subject to discussion, to continue the long-established practice of including requests for new borrowing authority in Appropriation Acts in the future.

As a result of the highly successful Canada savings bond campaign, the Government of Canada raised about $4,336 million in the current fiscal year to November 28, 1975. That is a gross figure from which must be deducted redemptions. Of course, redemptions of Canada savings bonds are taking place continuously and normally average about $100 million per month. In the absence of new borrowings, the government would, therefore, be well within its present $4 billion statutory borrowing authority by the end of fiscal 1975-76. However, unless additional new borrowing authority is authorized by parliament, we will not be able to raise the additional funds which we need in the remainder of this fiscal year.

In this connection, it will be recalled that I terminated sales of this year's series of Canada savings bonds on November 14. This decision was taken because it then appeared possible that net sales of Canada savings bonds might use up most, if not all, of the unused statutory borrowing authority. At the same time, the ongoing treasury bill financing program was brought to a temporary halt and it was subsequently decided not to raise new cash in the December 15 marketable bond refunding issue which was announced on November 28.

The borrowing authority of $4 billion granted by parliament not only reflected the shortfall between expenditures indicated in the main estimates and anticipated ongoing sources of budgetary revenues, but it also provided some margin for contingencies. In the budget presented to the House on June 23, budgetary and non-budgetary financial requirements were revised upwards to a figure of $5.3 billion. The various provisions introduced in the June budget were subsequently debated and approved by parliament. On November 14 I also informed the House that financial requirements for this fiscal year would be between $5 billion and $6 billion.

Supplementary Borrowing Authority

While the $2 billion additional borrowing authority sought in this bill reflects the higher level of financial requirements anticipated for fiscal 1975-76, new funds to be raised in capital markets during the balance of this fiscal year are expected to be substantially less than this amount. Without wishing to be too precise concerning the government's borrowing plans over the balance of the current fiscal year, I would say that, subject to prevailing market conditions, an amount equal to about half the increase in borrowing authority might be raised in the capital markets. The balance will provide a margin to deal with any unforeseen contingencies such as foreign exchange transactions, and to provide adequate flexibility in debt management and monetary policy.

It is the government's intention to recommence a regular borrowing program through the issue of treasury bills early in the new year, and to raise new funds through the issue of marketable bonds on February 1 when $150 million Government of Canada bonds will mature. It is for these reasons that an increase in the statutory borrowing authority is being sought before the Christmas recess. If opportunities to raise new funds in the capital markets are missed now, then additional burdens would necessarily have to be placed on capital markets in the next fiscal year.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I do not think I need make any apology for the fact that we are now facing this special bill this afternoon as a result of the action I took in raising the question of order on the night of December 9, and consequent upon Mr. Speaker's decision with regard to the regularity of clause 5 of that appropriation bill. But I would say, first of all, I think the minister really is finding himself hoist on his own petard, in that he was the first architect, as government House leader in 1969, of the changes in House rules which eliminated the committee of supply. That was done ultimately under the sanction of closure, again a subject which is totally repugnant to me because, as a long-time member of the House, I feel it is the House which is in charge of its rules, not the government trying to impose rules in order to master the House.

● (1530)

So there is a difference of approach on this subject. Certainly we have seen the wheels start to turn the other way. I must say that my motive the other night—and, I think, a motive which will commend itself to hon. members this afternoon—was simply a reassertion of the fact that it is parliament which is supposed to control the purse strings, and not that parliament is to disburse money on behalf of the administration by simply pushing down the button on the cash register.

It is a slow step and there are some gains and some losses. I hope that this has been a gain. The minister may speak all he wants about customs since confederation, including authorizations for borrowing power under the Appropriation Act, but I would say that the abrupt change came in 1969 when the Appropriation Act which follows the study of our supplementary estimates must come before this House without debate or power of amendment.

A year ago, and then the other night, the minister's predecessor introduced into the supplementary estimates a

clause, hitherto unreferred to and undiscussed, in which the government merely sought borrowing powers. What was that for? I asked the question last year as a point of order because I had seen that particular type of clause the first time in supplementary estimates under the Appropriation Act. I am told that it has happened on eighteen occasions in the past. But there are different rules, and I must say that if some of these things slipped through at that time, it must be remembered that prior to 1969 there was debate permitted on any clause in the clause by clause study.

I dare say, without going back to the records, that some people did make inquiries about borrowing. Last year the former minister of finance furnished an explanation, albeit a very brief one, in saying that the sales of Canada savings bonds had been so successful that the government, willy-nilly, had found itself forced through the ceiling of its borrowing powers. Today the minister has given us an explanation. Certainly some people may want to question it, and I would say that that is what is needed now.

I think the minister, and possibly others, have indicated that the House leaders are discussing ways and means of trying to avoid that sort of thing. All I will say is that I have a number of suggestions for him. Of course we can have a bill of this nature, leaving aside the question of whether or not a recommendation is necessary, but in any event we can have a bill that authorizes an increase in borrowing powers.

Also, I think it is possible that at the time of the tabling of the main estimates, when quite often the borrowing authority matter is raised, it might be referred to by the President of the Treasury Board on tabling the estimates. His whole statement then becomes the subject of discussion in the Standing Committee on Finance, Trade and Economic Affairs or in the Standing Committee on Miscellaneous Estimates, wherever the minister appears. Therefore, that subject is discussed. The same approach could be used with regard to miscellaneous estimates. They could be referred to in the statement at the time or, although I am not a devotee of $1 items in supplementary estimates, it seems to me that a $1 item is the same as asking permission of the House to transfer moneys from one account to another.

This bill seeks not to spend money but to raise money if there is a deficiency. It is not even required for refinancing, but permission of the House is sought. The item is debatable in the committee. I hope that the Standing Committee on Procedure and Organization will come in for more fruitful discussion. I suggest to you, sir, that the appropriation bill, instead of being subject to restrictions on debate and amendment, should allow for debate in which ten o'clock is not seen and, if necessary, one could start a debate at, say, three o'clock on the afternoon of the last day, to be continued until 1.45 the following afternoon. But in any event, debate which would allow members to ventilate their objections to any and all items appearing in those estimates.

There would be full discussion then and culmination of a lot of work done in the Standing Committees on Miscellaneous Estimates. At present, as I indicated the other night and have on other occasions, the work of committees

[Mr. Lambert (Edmonton West).]

studying estimates is totally frustrated, first by the inability to discuss them in the House unless a supply date is allotted to a particular subject; and, second, by the lack of even a simple expression of views. I suggest, with respect, that the Chair has missed the record with regard to the interpretation of the rules on the posting of items for a vote and the giving of priority to the government to restore items rather than having a vote as set up in the notice given by a member regarding estimates.

Since we have not had an opportunity of discussing this bill, I have to leave the procedural aspects to one side for the moment and I want to go into the matter of what we are doing. I have a list here going back to 1961 in which borrowing powers were referred to in the first appropriation bill and in subsequent appropriation bills. It has to be noted that there is no such thing as a residual borrowing power. Anything that is not used in any year lapses at the end of the year, so that the government cannot accumulate a series of unused borrowing powers. However, I think this March, particularly since 1970-71, the effects of inflation are to be seen. In 1970-71, the first appropriation bill asked for $2 billion. A subsequent appropriation bill sought $1 billion. In 1974-75, authority was sought for $3 billion in the first appropriation bill, and a year ago the amount was $2.5 billion. Earlier this year, in June, there was one appropriation bill for $4 billion, and now the minister is asking for $2 billion. Where in the past have we seen figures so high, except in 1967-68 when there was a supplementary appropriation bill seeking approval of an increase of $2.75 billion?

● (1540)

We should want to look at the public debt. An examination of the bank account tables with regard to public debt indicates that charges on the gross public debt currently are expected to increase by $598 million in fiscal 1976 compared with fiscal 1975. The 18.9 per cent increase in these charges is due both to higher average interest costs and to the fact that the size of the debt has increased markedly over the year.

Just as an indication of how our national debt has mounted, I have before me the Bank of Canada Review for November, 1975, and table 21, entitled "Government of Canada direct and guaranteed securities", indicates that as at November 12 the total outstanding debt was $35,885 million. If we go back five years to 1970, the figure was only about $25 billion. I should not say "only $25,746 million", because that is a lot of money. In 1964, when the President of the Privy Council (Mr. Sharp) did not have his feet in the Department of Finance, the amount was $20,733 million. Over 11 years we have seen an increase of some $15 billion in the national debt, or a 75 per cent increase.

From the end of fiscal 1975 to November 20 of this year the amount of unmatured debt, as I have indicated, increased by nearly $4,300 million and has actually gone up—because my report here is more recent than the tables I referred to—to $37,384 million. Even using this shorter time period, less than eight months, unmatured debt has already increased by an amount in excess of the increase between fiscal 1973 and 1974, a total of $3,915 million. Based on current unmatured debt levels and current interest payments forecast in the main and supplementary

estimates, the average rate of interest paid on unmatured debt will be near 7.5 per cent in fiscal 1976 compared with nearly 7.1 per cent in fiscal 1975. Hon. members should note that particular fact, and certainly the public as well, in that already we are seeing the influences of inflation at work for 1976.

The average interest rate on government indebtedness this coming year is expected to be 1.5 per cent higher than it is this year. All that means is that private individuals, investors and corporate investors expect inflation to be that much higher because they are hedging their investments. If the remaining months of the current fiscal year show an increase in the level of unmatured debt while the interest payment figure remains constant, then the effective rate of interest will decrease. Further supplementary estimates for interest charges while the debt remains constant, or drops, will increase the rate of interest.

We should have had the opportunity of discussing the total debt of the Government of Canada at this time. However, the way supplementary estimates are handled through committee, and because the Minister of Finance (Mr. Macdonald) can only appear at this time for a matter of about an hour and a half, it is almost impossible for any hon. member to do any questioning with regard to this subject. I hope that when we get to clause 1 we will go into the subject a little more deeply than is indicated in the statement of the minister.

I recommend that the House give this bill second reading so that it can go to committee of the whole, and that we agree that under the circumstances this afternoon we dispose of the bill entirely so that it may go to the other place and the government can be in a position to meet its financial responsibilities.

There are two bills before the finance committee this afternoon dealing with financial institutions. There is another one down the road, there is a report in the works with regard to metric conversion, and this is all to be dealt with by Friday. There is no possibility that this bill could go to the committee and expect to make it back to the House by Christmas, even if we sat there until the night of December 23. Under those circumstances, I urgently ask hon. members to examine this bill. The government has acknowledged that it committed an error and did something it should not have done. It tried to do something—perhaps it was induced by other factors, or was trying something on—but there was no way out and the best thing was to come clean, as the minister has done this afternoon. Let us get on with repairing the damage and then deal with other legislation.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I do not intend to be very long at second reading of this bill. I wish, however, to put a few questions in committee of the whole. The bill before us will give the government the power to raise up to $2 billion by way of loans for public works and expenditures for general purposes. At the outset I should like to say that we are not talking about anything new: this is a routine, government borrowing bill. The government will be going to the money market or we are authorizing it to issue more Canada savings bonds, and so on.

Supplementary Borrowing Authority

In the past, this parliament has controlled the expenditures of the government by voting on new programs, by discussing the estimates and passing or amending them, by voting interim supply and supplementary estimates, and so on. So we have, in essence, made commitments to spend a certain amount of money in the fiscal year 1975-76. The government must now find the revenue it needs to carry out those programs. There is a shortfall, the government has to meet that shortfall, and at this time it does not have the authority to raise the money it needs. Therefore, I think this bill is pretty straightforward.

I understand that one reason we are dealing with $2 billion is that the government does not really feel it will need $2 billion, but some unforeseen circumstances—for example, changing exchange rates—may take place between now and the end of the fiscal year which will perhaps require the government to borrow up to $2 billion. That is my understanding. There are two or three things I wish to mention. Perhaps some of the money that is to be raised would not be necessary if the government considered some cuts in expenditures for the last three months of the fiscal year. I know there is about to be an announcement with regard to expenditure cuts in the next fiscal year, but we still have a few months to go in this one and perhaps all of us here could agree some programs could be eliminated or reduced which would save millions of dollars in this fiscal year.

For example, if the government is to get rid of Information Canada next year, why could it not do so a few months ahead of time and save some money in January, February and March of this fiscal year? There are several other programs like that on which the government could perhaps save money. It then would not have to go out and borrow money, pay high interest rates and increase the national debt. Another thing we should consider, when we have a shortfall in revenue, is revising the taxation system. I am still firmly convinced there are many tax loopholes which some wealthy people and some corporations can walk through. If the tax system were revised along the lines recommended years ago by Carter, there would be greater revenues.

● (1550)

Mr. Speaker, I am concerned about the increase in the national debt and I am concerned about high interest rates in this country. When we talk about borrowing money, be it the federal government or any other government, we should look at the financial system and interest rates; we should get into a discussion about lowering interest rates and about foreign exchange controls. However, I do not want to take up the time of the House with a detailed discussion now, Mr. Speaker.

When I look at the question of borrowing money, I want to know why it is being borrowed. I do not want to see funds borrowed for general operating purposes or something that is not going to produce a return for the people of this country. For example, if money is borrowed to pay civil servants or electric bills or fuel bills, that seems to me an expensive proposition. If you borrow money for a capital asset, as Premier Blakeney is doing in New York to develop the potash industry in Saskatchewan, that will give the people of the province additional revenue in years to come. This was done by the former government when

they created the Saskatchewan Power Corporation, which is now providing benefits to the people of the province. But when you talk about borrowing money, I want to know what it is for. If it is primarily for investment in an asset that will be beneficial to the people, well and good.

Most of us borrow money to buy a house or some other major item. The government is doing the same thing when they borrow money to invest in order to improve the livelihood of Canadians. I hope we can ask questions at committee of the whole stage and receive more information from the government.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I will take only a few minutes to explain my views in reply to the minister's statement on Bill C-80.

Bill C-80 is another version of clause 5 of Bill C-79 introduced in the House on December 9 last. The hon. member for Edmonton West (Mr. Lambert), with the support of all opposition members, noted that clause 5 of Bill C-79 was contravening the standing orders. The fact was admitted by the Speaker of this House whom we thank for his fairness and his great respect for the members' principles. We must also remember that clause 5 of Bill C-79 was withdrawn from the bill for those reasons and also because those $2 billion were for us a blank cheque given to the government which had not been discussed in committee nor by the members.

I would like to be brief. I want also to ask my questions later in committee of the whole, but I will add before concluding that we have agreed to let the bill pass through all stages today. I would also ask those who want to ask questions to put them in committee of the whole.

Bill C-80 leads us to ask many questions. First, what does the minister intend to do with the $2 billion? How will the money be spent, what interest rates will the government pay on that money and where will the funds be borrowed? I think that it is quite important since it is the objective of the bill now under consideration. I congratulate the minister for having introduced a special bill so that we may ask questions and be sure of what we are talking about.

[*English*]

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

Some hon. Members: Question.

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

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker, I was rising to speak.

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise for only two or three minutes in order to comment on what we are doing and, more particularly, on what I think we should do in the future. As everyone knows, we have this bill before us because the Chair found clause 5 of the recent appropriation bill to be out of order. It strikes me that the thing that was most serious about the inclusion of clause 5 in the recent appropriation bill was that it denied members of the House of Commons any opportunity to discuss what was being done by that clause. The provisions of that clause had not been referred with the estimates to the various committees, and accordingly we received the clause only at the last minute at the point where the rules prohibited any debate. In practical terms, I think that is the most serious thing that happened. It is also serious that something was put into a bill for which there was no authority in the resolution on which that bill was based. But what was denied was the right of members to discuss the matter at that time.

The Minister of Finance (Mr. Macdonald), in commenting on this bill, said that he understood discussions were under way to find some solution to the matter. I hope those discussions will continue amongst those of us involved, and that whatever we do we will at least find an opportunity for discussion of the whole question of borrowing authority, whether it is included in an appropriation bill or brought in by way of a separate bill.

I believe the hon. member for Edmonton West (Mr. Lambert) should not only be commended for having raised that point of order, but I think he is also to be commended for suggesting that any discussion of this matter ought not to stop with this one point. We passed a motion the other day that continues the supply procedure experiment of this session into another session. I would hope that as part of that experiment we will find a better way to deal with a bill in its last moments. It is not quite as bad now as it was a few years ago when we sat here all night just saying, "Carried", "Carried", "Carried"; or, "On division", "On division", "On division". However, it is still a bit of a farce and I hope it will be corrected. If this whole incident has helped to bring that into focus, it has been worth while.

I shall not pursue any further the point of order I raised before the bill was called this afternoon. Mr. Speaker has reserved judgment on that, although I gather that if the bill gets to the final stage before he has given the official decision, he is prepared to let it go. However, I would stress the fact that it seems to me that it is a bill that will involve the spending of money. I know that the bill provides for borrowing authority, but it says that this borrowing may be done at rates of interest to be determined by the governor in council. Once you determine rates of interest, you will spend money.

● (1600)

Section 36 of the Financial Administration Act reads:

No money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of parliament.

It does not say that once you have the authority of parliament, everything else flows from it. Actually, the act says again and again that the governor in council may do such and such, as provided in that act. If this bill provides for the payment of interest, I suggest it is a money bill.

Mr. Macdonald (Rosedale): Read section 45.

Mr. Knowles (Winnipeg North Centre): Yes, I noted section 45, which reads:

The payment of all money borrowed and interest thereon and of the principal of and interest on all securities issued by or on behalf of Her Majesty with the authority of parliament is a charge on and payable out of the consolidated revenue fund.

That language seems to confirm my point. If charges are to be made on the consolidated revenue fund, the payment of those charges should either be authorized by parliament generally or covered by a Governor General's recommendation.

None of us wants to hold up the bill today. We are correcting an error made on December 9 and taking a few minutes to emphasize the point that this matter should be straightened out and put on a proper basis before it arises again. Most of all, putting it on a proper basis means that hon. members should have the right to discuss, for instance, the borrowing of $2 billion instead of having to vote for it without any discussion at all.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I feel the minister ought to give us further information concerning Bill C-80, to allow the government to borrow up to $2 billion in special or additional loans, as may be required for public works and general purposes. This means anything, anywhere and anyhow, for clause 2. (1) states:

The Governor in Council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament, by any Act heretofore passed, raise by way of loan, under the Financial Administration Act, by the issue and sale . . .

The issue and sale of what? The minister does not say.

. . . or pledge of securities of Canada, in such form, for such separate sums, at such rates of interest and upon such other terms and conditions as the Governor in Council may approve . . .

Again, the minister does not say what the interest rate will be and from whom the government will borrow up to $2 billion.

. . . such sum or sums of money, not exceeding in the whole, the sum of two billion dollars, as may be required for public works and general purposes.

Mr. Speaker, I said that the minister should tell the House how he intends to borrow up to $2 billion. The minister is surely aware of the fact that Parliament is sovereign and that it can issue bonds for the financial needs which might arise at anytime.

Indeed, this special legislation authorizing borrowings up to $2 billion should be explained more fully, because under the Bank Act, the Bank of Canada is authorized to buy bonds from the federal government as well as from the provinces. And when the Bank of Canada buys a government bond issue, this buying by the Bank of Canada constitutes a reserve for the chartered banks, for the Canadian banking system.

It is established that the current reserve must be 6 per cent. Let us examine the case of the government issuing $2 billion worth of bonds sold to the Bank of Canada. So, as soon as the Bank of Canada buys the government bonds, the chartered banks can multiply that reserve, because the bonds become a reserve; the banks are entitled to multiply sixteen-fold, according to the law, that two-billion dollar bond issue; that gives the chartered banks the right to grant loans for $32 billion dollars, on the basis of the $2 billion the government would claim or of the bonds the government would sell the Bank of Canada. This confirms what we, Social Crediters, have been saying for many years. That discretionary power should be given the people's bank, the Bank of Canada.

Mr. Speaker, the government is playing with fire when it asks Parliament to approve a bill such as Bill C-80, which grants even more powers to those who control money and credit, to those, as we often say, who control the economic blood of the nation. All the problems, as we know, all the problems of inflation, mentioned by the Minister of Finance, stem from the absurd financial system which forces us to pay back two or three times the amounts the government is about to borrow.

Now, the government does not want to borrow from the Bank of Canada. It will borrow from the chartered banks as usual, or resort to foreign investors, borrowing or begging from them, as Mr. Bourassa of the province of Quebec does so nicely, with so much elegance, it will go and borrow from the Americans every week or every month.

Mr. Speaker, this bill proves clearly, beyond a doubt, how right the Social Credit Party is in saying to the government: regain control over the issue of money and credit, appoint a national credit commission to make sure that at all times there is no more credit in circulation than real wealth in Canada.

● (1610)

But when we have real values, when there are public works to be done, why do we not use the method proposed by Social Credit and have interest-free loans from the Bank of Canada. If it costs $1 billion, the Bank of Canada can create credit as well as any American according to the same values and it could be repaid according to the depreciation of the works if they last 25, 30 or 40 or 50 years. The government should repay during that period so that we may get more credit and more achievements in Canada.

The government refers not only to public works but to general purposes. What does it mean by general purposes? To create an anti-inflation board to pay the bureaucracy required in other fields? But this bill, Mr. Speaker, is inflationary because if the government has recourse to loans at an interest rate of 10, 10½, 10¾ and even 11 per cent over 20 or 25 years period, like the recent $200 million loan secured by Quebec Premier Bourassa in the United States at 10 per cent over 25 years, which means that in 25 years we shall pay only for interest $250 million in interest alone and still owe $200 million for the capital. If it is not inflationary, Mr. Speaker, what is it?

And the government urges the people, the workers to limit their demands to fight inflation. In the meantime, we feed that inflationary system, we encourage excessive interest rates, and we do not have the guts to turn down the financial exploiters of the Canadian people, and provinces.

Not later than yesterday evening, an Ottawa news report told us that the Hull municipality was going to raise its taxes by 28.5 per cent. The government does not say anything. Mr. Jean-Luc Pepin will have nothing to say either. Municipalities, provinces, are allowed to raise their taxes by 20, 25, 30 per cent. Natural gas in Canada will go up by

30 per cent. We find precise reasons to allow organizations to increase their prices, whereas the workers will not have the right to have an increase exceeding 12 per cent.

This is, Mr. Speaker, a flaw in the system, and I say to the Minister of Finance (Mr. Macdonald) that he will never fight inflation to the ground with bills such as the one we have in hand, Bill C-80. He will never subdue inflation as long as those who control money and credit will not be controlled. They should be controlled first, but the Minister of Finance pretends not to hear, he does not listen, he does not hear; it makes no difference to him provided the Canadian public let themselves be drugged by bills which enable the government, on the pretext of doing something necessary for Canada, to engulf further the Canadian people.

Mr. Speaker, Bill C-80 is going to pass, because the government has the majority. There was a discussion between House leaders to have this piece of legislation prepared and put forward. It is not a complement, it is not a new invention. In Bill C-69, things were not clearly established, they were on the shady side of constitutionality, unlike in Bill C-80, which gives the government permission to borrow up to $2 billion, but I would like the minister to tell us where he is going to borrow the money and how and for what reasons, apart from public works.

Mr. Speaker, it would be good if we knew once and for all what is the purpose of the borrowings the government intends to make. Will the government be borrowing from the Bank of Canada without interest, or at an interest rate covering administration? Will the government be borrowing from chartered banks, or will it borrow in the United States? It would be good if the minister took note of these three points—the Bank of Canada, the Canadian banking system, or American financiers. Where will we be borrowing, for what period of time, and at what interest rate?

[*English*]

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and the House went-into committee thereon, Mr. Laniel in the chair.

On clause 2—*Power to raise loan of $2 billion for public works and general purposes.*

Mr. Lambert (Edmonton West): Mr. Chairman, perhaps I might make a small correction to the material I put on record in the course of the discussion on second reading. I should like to bring it up to date. I stated that the outstanding indebtedness as of November 12 was some $37 billion. According to the Bank of Canada report of December 4, on December 3, 1975, there was a total outstanding of $38,041 million. This was made up of $6,200 million in treasury bills, $15,939 million in Canada savings bonds, and $15,902 million in all other direct and guaranteed securities.

The reason I want to put these figures on record is to draw attention to the preponderance of government savings bonds. We are aware of the average rate which has been quoted for these bonds; they are to yield just under 10 per cent for the next 10 years or so. It may even be longer. People talk about lower interest rates for housing. Where will they come from? The government has put itself on a hook by issuing Canada savings bonds this year which are to yield around 10 per cent for over 10 years. There is bound to be the cost of administration over and above that, so I cannot see federal government interest rates getting below 11.5 per cent unless there is a drastic cashing-in of those savings bonds because people do not wish to maintain them for the sake of accumulating interest.

I would hope one might find a little more diversification. These Canada savings bond campaigns provide short-term cash for the government. Certainly the bonds are more attractive for the investor because on every $100 bond he will be paid hearly 10 cents on every dollar for holding them, since they are immediately cashable at the bank. Indeed, I suppose that a bearer bond is easier to cash today outside a bank than a $100 bill would be. Has anybody tried to cash a $100 bill lately in a general business or store?

An hon. Member: You cannot do it.

Mr. Rodriguez: I never have one.

Mr. Lambert (Edmonton West): In any event, I thought I would put those corrections on the record. I hope the clause will now pass.

Mr. Peters: Mr. Chairman, I was interested in the discussion which took place on second reading. I am glad the hon. member for Winnipeg North Centre and the hon. member for Edmonton West made it possible to separate this issue from a supply motion. I am grateful for the information provided by the hon. member for Edmonton West and his explanation of the way in which some of the borrowing is made. This fitted in very well with the observations made by the hon. member for Témiscamingue and his charge that much of this borrowing is highly inflationary. He indicated that Canada savings bonds accounted for $18 million, guaranteed borrowings amounted to $15 million, and there was another $18 million worth of savings bonds, presumably at the same rate of interest. In other words, there is a sizeable amount of money there.

● (1620)

Under the old system we were informed how such money was raised and spent. Although the members who sit on the various estimates committees may have some idea how the money is spent, the system does not allow members of parliament an over-all look at government expenditures. Up until now it has not allowed an over-all look at government borrowings, and this bill does not allow it either.

Perhaps we should adopt the Social Credit philosophy of printing the money we borrow, making it unnecessary to go to the lending institutions. It might be more advisable to do just that. Let us print the money, put it into the national debt, just as we do in time of war and for other purposes, and then if we get the money back through taxation we can take it out of circulation again. We would then not contribute to any inflationary spiral by borrowing money. It is foolish for the government to say it will cut

back on expenditures when one of the major items of government expenditure is interest rates. Canada savings bonds carry over 10 per cent, which means that in about seven years you have doubled your money.

Mr. Lambert (Edmonton West): You have paid for some of that money.

Mr. Peters: The hon. member says I have paid. I am not a chartered bank. I do what most other people do; I use a credit card and end up paying more than 10 per cent. The only people who make money in the end are the shareholders of the banks.

Mr. Lambert (Edmonton West): No.

Mr. Peters: My hon. friend says no, but it seems to me that a very good investment for anyone who wants to make a little money is to buy the stock of the new bank.

Mr. Lambert (Edmonton West): And hold your breath for years.

Mr. Peters: Not with the one the Mafia thought they would make a killing out of. They got the shares up to $17 and then they dropped right back to $3. But I am sure you can double your money very easily. After all, somebody must be getting this 10 per cent interest rate. That is what the Canadian public pays when the government borrows. It just does not disappear.

The Liberals should not find it hard to accept Social Credit philosophy. Some of their former cabinet ministers joined forces in British Columbia, so it should not be too hard for them to find a solution which, it appears to me, would eliminate some of these expenditures. However, my point is not so much that we borrow money, but that this House is being asked for borrowing authority. It is a little like your wife, Mr. Chairman, asking you to give her four or five times the usual money you give her for groceries, making a request that is retroactive to last April because she has overspent her grocery bill by a number of months and wants to recoup her losses.

If there is to be a new system for bringing in appropriation bills, I think the government would do us a service if they provided a breakdown of how the money is to be spent. The minister has indicated the revenue from Canada savings bonds, which are borrowings, and there are other ways of raising money, of course. But it seems to me that this appropriation bill is a sort of last ditch request for money.

I realize that expenditures are revealed in the estimates in one way or another and that we have approved expenditures for the year ending March 31, 1976. So why does the government ask for money in this manner, making a retroactive request to April 1, 1975? As I say, there should be an explanation given in the bill of what the money is for. It is possible that some of the money will be used for housing purposes, that some will be put in a revolving account, and that other moneys will go into the general revenue fund to meet expenditures listed in the supplementary estimates. But if this is so, the amounts should be specified and there should also be an indication of any amounts required for anticipated expenditure.

Supplementary Borrowing Authority

One of the problems of a member of parliament is to understand what happens to the revenue of the government and how the money is spent. This point was made by the Auditor General. Due to the change in format for the supplementary estimates, we do not know exactly how government money is spent. The explanations given in the estimates do not relate in a positive enough way to any specific item of expenditure as an indication of how that money is to be spent.

In the appropriation bill the other night the number of votes relating to transfers from one department to another had increased extensively. These transfers used to be effected by a $1 vote, and even in the days when the estimates were discussed fully such items were always looked at with a jaundiced eye because they were statutory items. You did not know what they were for or what the transaction was. There was a great deal of leeway. Now money is transferred from one department to another department and the transaction may or may not be covered in the estimates, either approved or anticipated. If the government gives a breakdown of its borrowings and indicates what the purpose is, we will at least know how the money is to be spent.

One of the most thorny questions that I have been asked by my constituents at public meetings from time to time is what the national debt is and what we are doing about it. I have not the faintest notion what it is and I do not think any other member has either. We have discussed it, but it becomes obvious that we do not know how much it is or what it is for, and we cannot give any consideration as to whether we pay it out or do not, yet we are being asked for this $2 billion. That is a sizeable amount of money. We are not told where we borrow it from, how we get it, what it is to be used for, whether it is just raised against the estimates, or very much else about what is going on. It is just being raised against the estimates, and the estimates have been monkeyed around with and tinkered with a great deal by the government and the various departments.

● (1630)

I suggest that all the statutory items in the estimates always have some connection to the transfer of funds. I consider that the $1 items represent the transfer of funds. Certainly the vote we had the other night related to the fact that we took certain funds from one item for transfer to another, and that certainly is tinkering with the expenditures. This monkey and tinkering with expenditures is not obvious to anyone studying the supplementary or interim estimates. I would ask the House leaders, when they are considering the change or format, to give some thought to some of these matters with which I am concerned, because the way it is now we are not likely to get answers to these questions by following the method under which we have appropriations. Perhaps that is the wrong word.

An hon. Member: Pick any word you want.

Mr. Peters: Perhaps "borrowing" under the Appropriation Act is more financially correct. It seems to me to be very difficult to ascertain what these borrowings will be used for, what the percentage of interest will be on any amount or even what the general interest will be on the

money that we borrow. I understand from the hon. member for Edmonton West that it amounts to some $39 million. In that area it seems there must be a multitude of methods for raising money other than straight taxation. It would also seem that the cost of that money would vary from time to time and from item to item. These facts are not readily available to hon. members in relation to government requests for this kind of money. The amount of $2 billion boggles the mind. It certainly boggles my mind and I suppose it boggles the mind of pretty nearly everybody else I know. Even most of the rich people in this country have no conception of billions of dollars.

We are being asked to raise $2 billion as an afterthought to a bill which did not have any connection at all. We are being asked to raise this amount through a bare bones bill which does not indicate the interest, where the money is to come from or where it is to go. The bill does not indicate whether this represents the total anticipated government expenditure over a certain period of time, and it does not indicate any connection with the curtailment of expenditures which the government is now preparing. It does not indicate whether it anticipates a government decision to reduce my salary or whether such a reduction will lessen the $2 billion required. The bill does not indicate whether it anticipates a voluntary, or otherwise, 25 per cent cut in civil servants' salaries, a 10 per cent cut or a 10 per cent lay-off. It does not really tell me if such a reduction will make any change.

If my wife asked me for more money to pay for the groceries, and I found that groceries were going down in price, I would have some suspicion. If one of the kids left home and was not eating as much there, I would anticipate the grocery bill would go down. So far as this bill is concerned, it seems to me that no matter what we do, it will not make any difference to our borrowing. There is no indication that this is a final borrowing for a specified period of time. I am simply confused about what it is, and I do not think the minister will take the time to tell us today.

Many members sit here and do not really take any interest in what is going on. They would be well advised to interest themselves in what the government is doing with our money. It would seem that in an appropriation bill there should be a clearer indication of what are the expenditures. It may be possible to find this out in another way, but when we are asked to vote this kind of money it seems to me that type of information should be made available to all hon. members.

It is true that the hon. member for Edmonton West and others are members of financial committees of this House and have been involved in these matters for a number of years. They may know where to find this information. They may have officials in the treasury branch who are able to tell them about these things. I do not have that expertise or those connections with the treasury branch. But I would like to have that information, as I am sure some of my constituents and others across the country would like to have it. These sketchy explanations really do not enlighten me very much.

Mr. Friesen: Mr. Chairman, I wonder if the hon. member would permit a question.

[Mr. Peters.]

Mr. Peters: Sure.

Mr. Friesen: I was interested in his suggestion that it is just not good fiscal practice to borrow money to pay retroactive expenditures. I recall that the former premier of British Columbia hired the former member for Skeena as a consultant in British Columbia. He hired him in December but made the hiring retroactive to November.

An hon. Member: And the hon. member for Kootenay West.

Mr. Friesen: I was wondering if, as a result of the election in British Columbia last week, the hon. member for Timiskaming has learned this and is therefore using it in the House today.

Mr. Peters: That is very interesting question, Mr. Chairman, but one that I think goes beyond the purview of this bill.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): You have learned something.

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member for Timiskaming has raised a number of questions about the nature of the public debt. Let me say to him, in respect of the question of analysis and perspective on the public debt, the document from which the hon. member for Edmonton West read was a monthly report of the Bank of Canada which set out an analysis of outstanding Government of Canada debt, for which the Bank of Canada is the agent. The bank publishes this analysis from month to month, along with reference to any events that may have occurred during the month.

Several other questions were raised. The hon. member asked whether the money has already been spent. The answer is no, it has not. It will, of course, be spent in the first three calendar months of 1976, which is the last three months of the 1975-76 fiscal year. This will really put us in funds for the purpose of making the remaining expenditures in the heavy end of the year. The hon. member asked why it was April 1, 1975. Let me say there was an issue of Canada savings bonds, as I mentioned in my opening remarks, that was extremely well received by the public. Indeed, it overshot expectations. However, depending on the balance of redemptions, there may be a temporary case of an overrun in borrowing during this period. In the event that this has occurred, this is really a retroactive authorization in connection with such borrowings.

[*Translation*]

The hon. member for Témiscamingue (Mr. Caouette) and the hon. member for Richmond (Mr. Beaudoin) asked questions about the financing for the remainder of the fiscal year authorized under this bill. I think it cannot be said exactly what the interest rate or what the market will be, that is whether the financing will take place in Canada or on the international market, for the remainder of the year. It can be said that there will be financing made up of long term bonds on February 1 and also at that time there will be a study of the additional money for the expenditures of the government of Canada. There will also be for the same period of the remainder of the year studies of

treasury bills for the financing of the government of Canada. It is totally impossible on every issue, as on February 1, for example, for the Bank of Canada to take part of that issue from banks, funds, bonds.

● (1640)

[*English*]

I think that responds in a rather general way to some of the questions that have been raised.

Mr. Lambert (Edmonton West): Mr. Chairman, in order to assist the hon. member for Timiskaming, and to add information to that which the minister has given, I have a series of four tables which are not taken out of the Bank of Canada as the source but are private compilations showing, first of all, the interest charges on the public debt, the interest as a percent of government expenditures, the effective interest on the public debt in table two, the unmatured debt per capita in table three and the unmatured debt and GNP in table four all from the years 1968-69 through 1975-76. I take full responsibility for these tables and, rather than leaving them out, I would ask leave of the House to have them tabled as part of my remarks at this time.

The Deputy Chairman: My understanding is that a private member cannot table documents.

Mr. Lambert (Edmonton West): I suggest to you, Mr. Chairman, that a private member may table tables like this. The alternative—and I say this to you, Mr. Chairman, and to the Clerk as well—is that I shall read them. I would ask the Chair to reflect upon the decision given a few moments age. I have not referred to a public document. I have sought leave of the House to table these tables, and I would respectfully ask the Chair to reconsider its position on that.

The Deputy Chairman: Is it agreed by hon. members that they be printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's Note: The tables referred to are as follows:*]

TABLE ONE
INTEREST CHARGES ON THE PUBLIC DEBT
FISCAL 1969 to 1976

Fiscal year	Interest & Amortization Charges —MILLION—	Government Expenditure	Interest as a Percent of Government Exp.
68/69	1,473	10,767	13.7
69/70	1,710	11,931	14.3
70/71	1,819	13,182	13.8
71/72	2,132	14,841	14.4
72/73	2,147	16,121	14.5
73/74	2,587	20,039	12.9
74/75	3,169	26,055	12.2
75/76 (est)	3,767	29,895	12.6

Supplementary Borrowing Authority

TABLE TWO
EFFECTIVE INTEREST ON THE PUBLIC DEBT
FISCAL 1969 to 1976

Fiscal year	Unmatured Debt —Million $—	Interest Charges	Rate (%)
68/69	22,101	1,206	5.46
69/70	22,637	1,380	6.10
70/71	25,201	1,520	6.03
71/72	27,259	1,606	5.89
72/73	29,038	1,759	6.05
73/74	29,171	1,858	6.37
74/75	33,086	2,340	7.07
75/76	37,384 (Nov. 20)	2,799 (estimates)	7.49 (projection)

TABLE THREE
UNMATURED DEBT PER CAPITA

Fiscal Year	Population (millions)	Unmatured Debt ($millions)	Debt Per Capita ($)
68/69	20.7	22,101	1,067.68
69/70	21.0	22,637	1,077.95
70/71	21.3	25,201	1,183.15
71/72	21.6	27,259	1,261.99
72/73	21.8	29,038	1,332.02
73/74	22.1	29,171	1,319.95
74/75	22.4	33,086	1,477.05
75/76	22.8	37,384 (Nov. 20)	1,649.65

TABLE FOUR
UNMATURED DEBT AND GNP

Fiscal Year	Anual GNP —Millions—	Unmatured Debt	Debt as a % of GNP
68/69 (68)	72,586	22,101	30.4
69/70 (69)	79,815	22,637	28.4
70/71 (70)	85,685	25,201	29.4
71/72 (71)	93,462	27,259	29.2
72/73 (72)	103,952	29,038	27.9
73/74 (73)	120,438	29,171	24.2
74/75 (74)	140,880	33,086	23.5
75/76 (75)	154,339*	37,384 (Nov. 20)	24.2

*Conference Board Forecast.

[*Translation*]

Mr. Beaudoin: Mr. Chairman, the minister was rather explicit in his answer but there is a detail of some importance missing. We would like to know the approximate rate of interest he will have to pay on that borrowing and whether he suggests he will be borrowing part of that money or whether banks will make part of that money available?

Mr. Macdonald (Rosedale): Mr. Chairman, it is quite possible that the Bank of Canada take up part of those bonds. How many? It depends on the monetary position of Canada, and on the monetary policy of the Bank of Canada at the present time. That may vary according to the market conditions for bonds and interest rates. But one cannot specifically state, for the time being, how much the Bank of Canada will assume.

The matter of interest rates remains to be determined with the Treasury Board officials at the time of issue of treasury bonds or long term debentures. It is impossible to be specific as to the interest rates at the moment. The latest bonds issued by the government of Canada carry an interest rate of 9½ per cent for long term investments and of 8½ for short terms. This is only an example. That will depend, of course, on the international market, on the currency and on the market position in Canada in January, February and March.

Mr. Beaudoin: A last question, Mr. Chairman. Talking about issuing the last bond issue, what do the expressions long term and short term mean?

Mr. Macdonald (Rosedale): Mr. Chairman, long term issues were for 20 years and short term ones three years.

[*English*]

Mr. Nystrom: Mr. Chairman, I have a couple of questions for the minister. Do I have the correct understanding that the Canada savings bonds issue that has been closed will not be reopened during the remainder of this fiscal year?

Mr. Macdonald (Rosedale): Yes, Mr. Chairman. The issue was closed at the earliest possible date, which was November 14. As you know, we said the issue would be open until that date. It would have been unfair to some people who had made plans if we had closed it earlier. We did have an overrun for that reason. We will have a fresh savings bond issue at the same time next year.

Mr. Nystrom: Can the minister give us an idea of the mix of the borrowings? I refer to treasury bills. I notice the figure is $150 million. Would the minister be more specific about the sources from which the government hopes to borrow? Perhaps I missed something the minister said earlier, and if so perhaps he would enlighten me on that as well.

Mr. Macdonald (Rosedale): I cannot be very specific about the mix. I think it would depend on the flow of interest rates at the time. It is intended there would be a division between the treasury bills and long-term money. As I mentioned in reply to the hon. member for Richmond, there would have to be a refunding of outstanding obligations to February 1. It is very likely there would be new money issued in relation to that. As to the actual balance to be achieved between treasury bills and longer term obligations, that will be very much dictated by the state of the market as it proceeds through the remaining quarter.

Mr. Nystrom: I have one or two last questions, Mr. Chairman. Could the minister comment on the question I raised about the possibility of scrapping some programs on which money may not have been spent, and cutting back on some programs in the last three months of this fiscal year that would coincide with the Prime Minister's announcement later this week about spending cuts? I do not know what is coming, and obviously he cannot tell us what is coming, but is there any possibility of saving some money there?

Mr. Macdonald (Rosedale): There might be some minor reductions in the balance of the year. I think I would have to say there is not a great prospect of cutting existing programs at the present time without at the same time incurring substantial liabilities. For example, the laying off of a substantial number of employees at short notice, that is to say on two weeks' notice just before Christmas, is not a policy we would like to follow. Therefore, since much of this expenditure will be in the form of wages and salaries it will be difficult to terminate this employment without some advance notice in fairness to all employees. I think the conclusion of my colleague, the President of the Treasury Board, is that while there are some opportunities here of a minor character, there are no major cuts which effectively would be made in the period of the 1975-76 year.

Mr. Nystrom: I have one final question. I assume the minister cannot be any more specific concerning what the money borrowed will be used for. I know he is talking about spending it for public works and general purposes. Can he be any more specific this afternoon concerning where that money might be spent? Will it be in operating costs, or are there any particular projects that still need some financial commitment for which he does not have the money?

● (1650)

Mr. Macdonald (Rosedale): Mr. Chairman, I cannot be specific. I would have to go to the paymaster general to determine what obligations he expects to have in the balance of the year.

[*Translation*]

Mr. Beaudoin: Mr. Chairman, I only want to ask a final question.

The minister just said in the House that there would have to be a refunding of the bonds which will come to maturity on March 1. Could he indicate what is the average rate the government is paying on those bonds which will come to maturity on March 1?

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member mentioned March 1, but maybe he wanted to say February 1?

Mr. Beaudoin: As I said earlier, I meant March 1.

Mr. Macdonald (Rosedale): I think it is February 1 . . . one moment please—

This issue must be paid on February 1 at a rate of 9¼ per cent.

[*English*]

Clauses 1 and 2 agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for New Westminster (Mr. Leggatt)—Environmental Affairs—Request for clarification of statements on emission standards applicable to Syncrude; the hon. member for Churchill (Mr. Smith)—Transport—Arrangements for

shipping wheat through port of Churchill; the hon. member for Surrey-White Rock (Mr. Friesen)—Environmental Affairs—Request for funds for Fraser Valley flood control program.

[*Translation*]

Mr. J.-Roland Comtois (Terrebonne): Mr. Speaker, I seek the unanimous consent of the House to revert to routine proceedings so I can present a report.

The Acting Speaker (Mr. Turner (London East)): Is it agreed?

Some hon. Members: Agreed.

And the House having reverted to motions:

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS

Tenth report of Standing Committee on Finance, Trade and Economic Affairs, in both official languages—Mr. Comtois.

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Seventh report of Standing Joint Committee on Regulations and Other Statutory Instruments—Mr. McCleave.

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

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed, from Monday, December 15, 1975, consideration of Bill C-69, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. There have been some discussions, although not extensive, on the basis of which I wonder if the House would not be interested in taking some of the votes tonight. I refer to the recorded votes which have been deferred. I think there are three or four already which have been deferred, and there might be others. My suggestion would be that at 9.15 tonight we interrupt our proceedings, have a 15-minute bell and then take the

recorded votes on all motions the divisions on which have been deferred up to that time.

Mr. Sharp: Mr. Speaker, I just want to say that I agree with the suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles), and I believe the hon. member for Hamilton West (Mr. Alexander) has much the same view.

Mr. Alexander: Speaking on the suggestion made by both hon. gentlemen, we on this side of the House certainly go along with it. I think it is necessary to get on with the business of the House. It appears that a 15-minute bell will be satisfactory.

The Acting Speaker (Mr. Turner (London East)): Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner (London East)): It is so ordered.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when we adjourned the debate on this bill yesterday I was discussing the clause to repeal section 28 of the Unemployment Insurance Act. Since that time I have had some discussion with a number of people regarding the effects of retaining or removing this section. I should like to clarify a point which I made last night regarding the difference between the operation of UIC in an urban area and its operation in a rural area. The indication is that the time it takes to process claims from an urban area, and the time it takes to process them in a rural area, differs considerably, to the detriment of those in the rural area.

I also mentioned that this section in the act had not been implemented in my area to any great extent, a fact which I confirmed in discussions with the district officers in my area. The reason that they give is simply that if it were applied and a claimant was given this three-week advance payment, there might be considerable delay in making regular payments at a later time. The minister was kind enough to send me a note stating some of the reasons it was desirable to remove this section from the act.

In my opinion, it is unfortunate for members of the House, and is probably a matter which should be brought to the attention of the chairmen of the committees of the House, that this matter received very little discussion in the committees, as is apparent when one looks over the proceedings of the committees. In discussing the matter with one of the members of the committee—to be specific, with the hon. member for Hamilton West (Mr. Alexander)—I found that at the time this bill was discussed, the committee members had a number of documents indicating how many people had drawn benefits under this section and indicating the effects of that. The documents indicated also—this has been brought to my attention by the minister—that the results appear to be detrimental rather than advantageous.

● (1700)

One of the reasons this has happened is that jobs are not very plentiful, particularly in areas where there is a large amount of unemployment of a temporary nature and

where it would be anticipated people could get jobs if they were given sufficient income to enable them to move from one area to another. This clause would have been advantageous where very recently there was a shutdown. There were difficulties getting separation, and because the separation had to be issued two or three times before it was correct there was considerable delay in making the benefits available to the claimants. The claimants were under a very severe handicap because the cheques which were paid a month before the cessation of work at that plant had bounced. They received no money from those cheques and those who took them to the bank and had them cashed had to repay the money. They were unable to draw the last pay cheque because the company had no more money.

In addition to that, there was no vacation pay and none of the other things which normally would be forthcoming. I understand that it has been the practice, where this payment was made, that the additional moneys which might be available were not taken into consideration and that the three weeks provision was applied in the hope that the person would be able to look for a job outside his area, and that if he got a job he would be entitled to keep the money, and it would only be reclaimed if there was a subsequent claim.

The requirements which were necessary to establish this were quite stringent, in my opinion. They demanded a major attachment to the market. The job had to be terminated without any expectation of recall. It was necessary that there be an expectation of the person being able to find employment. Health requirements were originally not taken into consideration. I am sure this was something which could have been corrected, and probably should have been, because it would not meet the normal requirements of the act.

The minister indicated there will be some other method of trying to accomplish what apparently has not been very satisfactory in terms of section 28 of the act. I do not know how it worked in the minister's area, though his area is very much like mine. I am in the area of the Timmins, Sudbury, Sault Ste. Marie and North Bay unemployment insurance offices, and I found very little difference in any of them. To my knowledge, none of them was making any attempt to use this legislation. I think Thunder Bay was in somewhat the same circumstances, and it was not used very extensively there.

I think the officials of UIC should have given it a try in some areas. I understand that where it was used, it was not satisfactory. One of the problems I have in my area is that when a person is unemployed—and he does not have to be unemployed very long—he has no money to pay any of his expenses and he has to turn to municipal welfare. A number of these people have gone to the municipal welfare people asking for the use of an assignment and a payment by the welfare office. This has been of particular significance where the person agreed to get out of town and go somewhere else for employment.

In my area it has been normal for the municipal welfare department to give favourable consideration to those claimants asking for assistance where it means they move to one of the major communities where they can find employment. They have the same problem whether they are unemployed or employed. Where a situation develops and work is no longer available and will not be available, it is absolutely essential they move out of the area.

I found that the assistance being given through mobility and the other programs has not worked advantageously. When a mine closed in my area, most of the people who moved out and got jobs did so in a fairly short period of time. All of them did it on their own, and almost all of them disqualified themselves from any mobility grants because they obtained jobs by themselves rather than through Manpower. However, in at least two or three cases that I know of, in order to do that these people were financed for transportation by the municipal welfare department. I suggest that if this three weeks' payment would obviate that situation, it certainly would be worth while.

My staff handles eight or ten cases per day, and they had never heard of the three weeks' payment. I suggested they telephone and find out why they had not heard about it. They telephoned and were told it was not used. In many areas it has not been given a fair chance, and I can see that it could be of some advantage.

In closing, I should like to say that I appreciate the indication by the minister that he has no intention of eliminating the emergency pay, because I can say that in my area it has been used. The officials have been very generous when there has been extreme difficulty, and it has been used on a number of occasions. I can honestly say that seldom has it had to be paid back. In other words, the insurance officers had enough information to assume that the claimant was going to be paid, and when the emergency payment was made it was usually made in good faith and received in the same way. I was pleased to learn that that is not to be cut off, because it has been very useful.

However, I am still of the opinion that if the three weeks had been used in some instances which come to mind in my area, it would have eliminated some of the difficulty which arose. The most recent example is when a sawmill closed and 400 or 500 workers were laid off. Bush and mill operations were terminated and the employees had not received any money for the previous month's work. They encountered considerable difficulty in getting their separation slips. This three weeks' payment would have been a godsend to almost everyone who worked in those operations. I suggest it may not be entirely due to the provision not having been used, and it may also be true that there had been abuses and that the record which was used indicated it did not accomplish what we wished. I am always hopeful that when we make a reasonable offer to the ordinary worker, such as an advance of three weeks' pay, most workers would be willing to take advantage of it if jobs were available in their area.

● (1710)

In reading the committee reports, I regret that I may have been somewhat stronger on this subject than it warranted. I should like to suggest to members of the committee, however, that the documents used in helping them arrive at a decision should be attached to the report so that other members when looking over the record would have

access to the expertise developed in committee which helped arrive at the decision.

I still believe that clause 28 could work to the advantage of claimants who have a long-term attachment to the labour market and were laid off without hope of recall by a company for which they had worked for a long time. They should have the opportunity of using UIC money for several weeks while they seek employment. I believe most of the people I come in contact with would use the money to advantage.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am rather surprised that the hon. member for Timiskaming (Mr. Peters) finds fault with the committee. He should have shown an interest when the committee was sitting. I am not finding fault with him in this regard because I know he is very busy and cannot be everywhere at once. We in this party reject the hon. member's motion most strongly. We have called for a public inquiry to determine what the disincentives in this act are and how they can be removed. It was pointed out to members of the committee that the three-week advance payment in clause 28 is a disincentive to work. The minister puts a figure of something like $5 million on it, but I am not interested in figures as much as I am in the fact that the government is creating disincentives in the act. The experiment was well intentioned, but I would respectfully suggest that it went sour. This three-week advance payment was meant to assist people in finding work, but that is not what happened. They took the money and left. In my estimation, after deliberation, these provisions played a significant role in destroying the work ethic.

Some hon. Members: Huh!

Mr. Alexander: My friends say "Huh". I say it is a disincentive, it was being abused and it should go. We in this party will not vote for the hon. member's motion. Let me bring the hon. member up to date on what happened in committee. The committee was provided with a document prepared by the minister's officials which gave a history of problems and suggested solutions for all particular amendments that came in. It is unfortunate that the hon. member was busy and that members of his party have not shown the document to him.

Mr. Paproski: He always "peters" out.

Mr. Alexander: He means well, but at times we have to straighten him out.

Mr. Peters: Would the hon. member mind tabling a copy?

Mr. Alexander: Mr. Speaker, I want to conclude by reading into the record a portion of the Unemployment Insurance Commission information paper on Bill C-69. On page 2 under the heading, "Subject: Advance Payment—Present Legislation", it reads:

> The present legislation provides for a three-week advance payment of benefits to major attachment claimants after the two-week waiting period. This payment is made to claimants who have been laid off from their employment and who are not expected to be recalled by their previous employer within five weeks of the interruption of earnings. The payment is also provided irrespective of earnings and the active job search and availability obligations during that period.
>
> When this provision was introduced, it was thought that it normally took five or six weeks for people to find new jobs. The purpose of the advance payment was, therefore, to provide a strong incentive for claimants to find work quickly in the early weeks of their claims and draw no subsequent benefits.
>
> Problem:
>
> It was found in 1974, however, that 85 per cent of the recipients of the advance payment were still on claim in the sixth week, whereas only 66 per cent of the non-recipients remained on claim at that point. This led to the conclusion that the original purpose of the advance payment was not being achieved.
>
> Proposed Amendment:
>
> In order to encourage recipients of advance payment to find work more quickly, it is proposed that the provision be removed from the legislation.

I questioned the minister, my good friend, about the meaning. I will not misquote him or take him out of context. I said, "Mr. Minister, are you stating that in fact"—mind you, the word "disincentive" is not within the confines of the document that I just read—"or are you suggesting that you found, as a result of your studies, that this particular clause is a disincentive to work?" The minister said, "Yes." Be that as it may, and keeping in mind on this side of the House we want an act that is cognizant of the disincentives that have been destroying the work ethic and that we should have them removed, I repeat that we accept the government's statement in this regard and reject the hon. member's motion.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I was not going to say anything on this—

Some hon. Members: Hear, hear!

An hon. Member: "But".

Mr. Rodriguez: —but I have been convinced, after listening to the hon. member for Hamilton West (Mr. Alexander) that I ought to say a few words because this question is important. All I heard from the hon. member for Hamilton West in committee was "incentives" and "disincentives," and the minister talked about "the work ethic" and "disincentives." Why is it that members of parliament, who enjoy probably one of the highest incomes in this country—

Some hon. Members: Oh, oh!

Mr. Rodriguez: —feel that having subsidized meals in the House of Commons restaurant is not a disincentive?

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. Rodriguez: I recognize the sensitivity of hon. members—

An hon. Member: Give your increase to charity.

Mr. Rodriguez: Why is the increase to parliamentarians and senators not called a disincentive to work? Why is it that we call moneys handed to multinational corporations incentives—

An hon. Member: Does he come from northern Ontario?

Mr. Guay (St. Boniface): A point of order, Mr. Speaker, I should like to say that the hon. gentleman who is now speaking uses more of the facilities of this House than anybody else, and has accepted the salary and is always talking about it.

● (1720)

Mr. Rodriguez: That is exactly my point. These are exactly the same birds who will turn around and say that giving the unemployed advance pay is a disincentive to work.

Mr. Guay (St. Boniface): You are preaching to the wrong people.

Mr. Rodriguez: No, I am preaching to the right people. If the government wants to introduce a restraint program, let it show those who are eligible for advance pay claims that it is putting its money where its mouth is. Yes, let us bring in a bill either to defer members' increases or cancel them altogether. You talk about restraint. That is the kind of restraint I want to see from the other side.

An hon. Member: Silence.

Mr. Rodriguez: An hon. member says, "silence."

Some hon. Members: Oh, oh!

Mr. Epp: You had better explain yourself to the poor.

Mr. Rodriguez: And you had better go back to your samovar.

The Acting Speaker (Mr. Turner (London East)): Order, please. Would the hon. member please address the Chair.

Mr. Rodriguez: Who are these people whose incomes we want to restrain? We discovered in committee that 70 per cent of those on unemployment insurance earn $6,000 a year or less; and we are moving in on them. Earlier in the debate we saw how the government wants to restrain the less fortunate, those 65 years old and over. Yes, it is moving in on those people, too. It has already moved in on low income earners by cutting back the dependency allowance. Wasn't that a fine thing to do? The government wants to restrain the little people, the women and children, those 65 years old and over, and the poor.

Consider the people of the area I represent. The minister knows what kind of people they are. He represents a northern Ontario constituency and knows what it is like. He knows how poor the area is. As soon as a person loses his job and applies for help from the Unemployment Insurance Commission, he is told that he must actively seek work.

Mr. Epp: Hear, hear!

Mr. Rodriguez: He must do that first. The hon. member to my right has complained about people being forced to travel from the farm to the city to look for work.

Mr. Epp: Me?

Mr. Rodriguez: Yes, you.

Mr. Epp: I did not.

[Mr. Rodriguez.]

Mr. Rodriguez: As I say, the commission says to the people, "You must actively seek work." But if a person is poor, how can he move around? We know that he lacks assets in the bank. How can he survive the next two weeks of waiting, let alone afford money for travel? How can he travel around looking for work? The mobility program is to be limited because the government claims its resources are limited. The Department of Manpower and Immigration, which also falls under the minister's responsibility, is cutting back its mobility program and no longer willing to move people around the country. So here we have low income earners who more than likely do not belong to a union, are not protected by collective bargaining, and are at the bottom of the income scale, being told to seek work actively. The advance pay program would enable them to make ends meet. But this must be done properly. I suspect that the experiment the minister and his nabobs carried out was not well promoted.

I wonder how many in my constituency are aware of the advance pay program. When people fall six to eight weeks behind in benefits they have the devil of a time getting their local office to write cheques and keep them off the welfare rolls. The program is no good if it is inadequately promoted. If people do not know about a program, the government can say that the program was not popular and not successful. Therefore, if you are to introduce an advance pay program you must promote it among the unemployed. Low income earners need advance pay in order to seek work actively. Only recently have local UIC offices been given authority to write cheques to claimants who have such a need. Indeed, the problems in my area were so great that it was necessary for me to meet the regional director of the area, the local manager and the UIC commissioner, in my office in the Confederation Building in order to straighten out some of the difficulties the local office is encountering. I am referring to the willingness of the office to issue cheques to claimants in need.

Obviously, in times of high unemployment jobs are scarce and the need for the advance pay program is greatest. Those with the least education and skills will most likely be unemployed, or the longest out of work, especially in areas of traditionally high unemployment. Those lacking skills are the most difficult to employ; those, therefore, will stay longest on unemployment insurance. Therefore, the minister's statistics are not surprising. So by and large we are dealing with poor people, with people who are poor materially and poor in skills.

When the advance pay program was first introduced in 1971, between 3.8 per cent and 4 per cent of our work force was unemployed. If the rationale behind the program was valid then, how much more valid is it now when unemployment is on the rise and people are losing jobs through no fault of their own? What do people mean by disincentives? Falconbridge announced that it will lay off 450 people in the Sudbury basin. They did not ask to be laid off. Falconbridge has received grants from the government, retraining grants from Canada Manpower and DREE grants for its plant at Bécancour, Quebec. All the same, the company will lay off some 450 people in the new year. Really, I do not know what people mean by incentives. I suppose it depends on how you look at it. If the advance pay program were properly promoted and used, it would

help claimants in a meaningful way. Naturally, I am talking of legitimate claimants. Advance pay would help them. But they also need help with their claims.

That brings me to my other point. There is no claims assistance service in the Sudbury office. It is strictly a factory operation, with people coming in, making an application, being referred to a claims officer and going through the usual procedures. But there is no claims assistance procedure in the office. The unemployment insurance office is in the suburbs and the Canada Manpower centre is downtown. There is no bus service between the two. Indeed, the unemployment insurance office is located on a busy thoroughfare. What happens? A man is laid off. Here, in one part of town, is the office which is supposed to help him find a job, help him make his application and see that he is presentable for an interview. The UIC office is on the outskirts of the city, miles away. And, as I have said, there is no claims assistance service in Sudbury; merely a factory-type operation.

● (1730)

Surely if we wish to make this program work we ought to offer proper counselling and help the unemployed person find a job, not necessarily in his own area but anywhere across Canada. If the rationale for this kind of payment was sound in the past, it is as sound today as it was then. It is probably more needed today. The step proposed is a retrograde one. The minister told us he had tried an experiment. As far as I am concerned the department never experimented much in my community. I never heard of anyone benefiting from it. It is difficult enough for people to get the pay the UIC owes them after they have been unemployed for six weeks.

The hon. member for Timiskaming (Mr. Peters) pointed out that no one gets paid in less than six weeks. Since he made that statement everyone has been coming to his door trying to prove to him that it is not six weeks but four. Even four weeks is a very long time for a person earning $6,000 a year to wait before receiving the payments which are due to him under programs to which he has contributed.

It is easy for people who earn between $26,000 and $30,000 a year, and for those who legislate and earn $34,000, to embark upon programs of restraint and say, "We will drop this group, or that group." There is something very odd about people earning salaries which are among the highest in the country deciding that a $6,000 a year person should not be entitled to a three week advance pay if he is in financial difficulties, or to assistance in finding work.

The nabobs of the Unemployment Insurance Commission who sit up there in the gallery and feed information to the minister, and give advice, most of it bad, think of the unemployed person as a statistic, not as a human being who must find a job and support a family. Many of them have never worked out in the working world with their hands. Many of them went straight from university to jobs in the administration. All the bumboys of the administration end up in the bureaucracy. These are the people who are saying to constituents of mine that they shall no longer enjoy certain benefits.

What wonderful workers we have in this country, Mr. Speaker. What incentive do they have to work for $6,000 a year with the cost of living as high as it is now? We are very fortunate to have workers of this kind, because certainly they have nothing to look forward to, and in many cases unemployment is not a matter of choice. It comes without being sought. Lo and behold, these are the persons who go to the Unemployment Insurance Commission.

The UIC should not be content simply to pay out benefits. It should be asking the question: how can we get these people back to work? The Commission should ascertain what skills these people have and offer them a program of assistance. This would be of more value than having them make an application, processing that application, and then sending the benefit control boys after the poor claimant. As it is, when a file has been processed they proceed to the next aspect; the leashes are untied, and there go the benefit control boys. I am sure they go to work to see how many disqualifications they can come up with in a day. I am sure they must work on a quota system; they must select groups for special attention by the control officers.

We are told from time to time in committee that the UIC has adopted a new approach—helping the claimant out of the maze. That was the fantastic sign I saw in an Unemployment Insurance Commission office. It said, "Let us help you out of the maze". Well, Mr. Speaker, I suspect claimants were deeper into the maze when they left that office than when they entered it, given the kind of program we have. Then they start on this kind of—

An hon. Member: Vendetta?

Mr. Rodriguez: Vendetta, if you wish to call it that. The minister has referred to it as part of the restraint program. As I said before, if the government is really interested in restraint, let it not pick this group of people as the first victims.

If we were really interested in saving money we could save a million dollars right off the bat by cancelling the increase in the wages of members and Senators which is due to come into effect in January.

The hon. member for Hamilton West talked about removing what he called disincentives. I do not think the little fellow at the bottom is exposed to any disincentives if we give him three weeks advance pay. Indeed this is likely to be one of the best ways of diverting money from the federal government to those in the low income sector. It might be the most efficient way of doing it.

The Acting Speaker (Mr. Turner (London East)): Order. I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Hear, hear!

Mr. Rodriguez: You will hear it all again.

An hon. Member: I didn't listen the first time.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I was persuaded to enter this debate by the remarks made by the hon. member for Hamilton West (Mr. Alexander).

An hon. Member: We will get him to withdraw.

Mr. Orlikow: I was surprised to hear him say he would vote against this amendment because he thought it would act as a disincentive to people who were unemployed, in other words, discourage them from going back to work. I get the impression—I hope I am wrong—that the hon. member and many of his friends really believe there are a large number of people who are unemployed and who are drawing unemployment insurance benefit although in fact they do not wish to work.

Some hon. Members: Hear, hear!

Mr. Epp: Right on!

Mr. Orlikow: The hon. member for Provencher (Mr. Epp) says "hear, hear". I do not suggest for one moment that there are people who are unemployed and drawing unemployment insurance although they do not want to work. If I or the hon. member for Provencher were to believe that, we would have to assume there are more people in Newfoundland ripping off the system than there are in Manitoba. Over 20 per cent of the people of Newfoundland are unemployed, and the situation is almost the same in New Brunswick. Are those people more rapacious than the people of Manitoba or Saskatchewan? I do not believe they are.

● (1740)

There is a larger percentage of people in Quebec east of Montreal who are unemployed than there are between Montreal and the Ontario border. Are they ripping off the system more than the people in Montreal? I do not believe that. In November of this year 734,000 people in Canada were unemployed. This means there were almost 200,000 more people unemployed last month than there were in November of 1974. Are all these people less interested in working than they were in November 1974? I would not accept that for a moment.

There is less unemployment in cities like Vancouver, Calgary, Winnipeg, and Toronto than there is in that part of Thunder Bay represented by the Minister of Manpower and Immigration (Mr. Andras), or in St. John's, Newfoundland, or in many other one industry towns. The reason for this is not that the people in these places are less desirous of finding work; they are unemployed because the economy does not work to their advantage.

Members of the official opposition have joined with us in criticizing the government over the number of housing starts in Canada, which is substantially lower than last year. The number of housing starts in the United States, which buys a large part of its lumber needs from Canada, is down dramatically.

Mr. Blais: Is this a housing bill?

Mr. Orlikow: If the hon. member would open his ears and listen for a change, instead of interjecting as he does so frequently, he would very quickly catch the point I am trying to make. I have not yet spoken for five minutes, Mr. Speaker, so I do not think I am abusing the time of the House. The fact is that the lumber industry is in a depression. This means that lumber workers in Canada, not just those in British Columbia which had an NDP government but those also in North Bay, are unemployed and are now drawing unemployment insurance benefits. They want to work but the lumber market has gone soft. There were 750 miners in Sudbury recently laid off by Falconbridge and they are now drawing unemployment insurance benefits. They are unemployed because the international demand for metals like zinc, copper, and nickel has dropped.

I did say that in November 734,000 people were unemployed, but that figure is not a complete one. I do not blame Statistics Canada or the Department of Manpower and Immigration, but the fact is that we do not include our native people in our unemployment figures. I am sure I am not far wrong in saying that 80 per cent of our native people in Manitoba, Saskatchewan, Alberta and northwestern Ontario are unemployed. I do not accept the suggestion of any hon. member, whether made inside or outside the House, that our native people do not want to work. The reason is that we have not developed programs that give them the opportunity to work.

When hon. members say they are opposed to this amendment because it will be a disincentive to work and will encourage people to stay on unemployment insurance, I say that in 95 per cent of the cases that is sheer nonsense. We would have full employment in Canada if the government set full employment as its objective. For the benefit of members who are so good at interjecting but so bad at making their own speech I shall not repeat the remarks I made last night when I quoted extensively a cabinet minister who had the fortune, or perhaps the misfortune, to be the manpower minister in 1971 when the last amendments to the Unemployment Insurance Act were debated. At that time he bemoaned the fact that we had over 4 per cent unemployment, and he promised the people of Canada that the Liberal government would make as its major objective the decrease of unemployment. He said that figure was too high and was a disgrace for a country endowed with the resources Canada had.

We agreed with him at that time, yet today with the same Liberal government we have more than 7 per cent unemployment. Next year we could have between 7½ per cent and 8 per cent unemployment, perhaps more because none of us has yet been able to calculate the effects of the anti-inflation program implemented by the government which will undoubtedly mean more unemployment.

I know it is unpopular to tell the truth these days; in times of difficulty people like to put the blame on to somebody else. I have heard many people who are employed say that people who are not working could do so if they wanted. I say that is not the case. Secondly, I say that if we had a government that believed in full employment and which provided programs to put people to work, the number of people who cannot find work would be reduced very markedly.

Let me close by suggesting to the minister that he examine a proposal being made by Senator Hubert Humphrey of the United States. He came within one half of the one per cent of the votes required to be elected president of the United States. He has introduced a bill in the United States Congress, which will be debated very shortly, and which if enacted would make it the responsibility of the U.S. government to see there is full employment in that country. If private industry cannot be induced to employ all people who want to work in the United States, then the U.S.

government would be responsible for devising programs to put these people to work.

The situation in the United States is much more serious than ours. Their depression has been much more severe than ours. If Senator Humphrey can propose full employment for the United States, surely we should be discussing, planning, and implementing proposals for full employment in Canada. We should not be passing bills which have as their basic principle the concept that large numbers of people in this country do not want to work, and that they have to be penalized and driven back to work, I suppose by hunger. I do not accept that argument and I think the minister is moving completely in the wrong direction.

• (1750)

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should just like to indicate that I agree with the hon. member for Edmonton West (Mr. Lambert) that we cannot support this amendment.

When we studied this matter in 1971 we pointed out our great reservations about this idea of the three-week period. At that time the period was increased from one week to two weeks, and the suggestion that the three weeks be used as a sort of a lump sum seemed to nullify the savings obtained by the change from one week to two weeks. By eliminating this change it would make the bill somewhat better as a truly insurance scheme, and should not in any way take away from the individual who is unemployed and genuinely seeking work. I think it is better if it is done this way.

It has been my experience that people living in rural areas have not had the opportunity of collecting unemployment insurance because of the application of the residency rules. This is obviously the result of officers, probably as a result of departmental prodding, attempting to hold the line. This is difficult to argue one way or the other, but certainly there are a great number of people paying unemployment insurance premiums who will not likely ever collect under these rules. That may be unfortunate but it is true. This change will make this a more true insurance scheme. Therefore I cannot agree with the amendment proposed by the hon. member.

The Acting Speaker (Mr. Turner (London-East)): Is the House ready for the question, which is on the motion by the hon. member for Timiskaming (Mr. Peters), that Bill C-69 be amended by deleting Clause 8?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

Unemployment Insurance Act

The Acting Speaker (Mr. Turner (London East)): Pursuant to Section 2 of Standing Order 75, the recorded division on the hon. member's motion stands deferred.

An hon. Member: Six o'clock.

The Acting Speaker (Mr. Turner (London East)): Order, please. Is the House ready to proceed with motion No. 10, or would members prefer to call it six o'clock?

Mr. Peters: Six o'clock.

The Acting Speaker (Mr. Turner (London East)): Is the hon. member rising on a point of order?

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 10.

That Bill C-69, to amend the Unemployment Insurance Act, 1971, be amended in Clause 9 by striking out line 36 at page 4 and substituting the following therefor:

"thereof and the extended benefit period (described in section 34) shall not exceed the maximum".

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I rise on a point of order in respect of motion No. 10, on the basis that the said motion excedes the Royal recommendation as contained in this particular bill. I draw your attention to the fact that motion No. 10 seeks to change Section 29 of the said act. Proposed sub-section (5) of Section 29 reads as follows:

"(5) Where benefits are claimed under this Act by reason of

(a) pregnancy, or

(b) any prescribed illness, injury or quarantine, or

(c) pregnancy and any prescribed illness, injury or quarantine,

the maximum number of weeks for which such benefits may be paid in an initial benefit period and the re-established portion thereof shall not exceed the maximum number of weeks for which initial benefits may be paid pursuant to Table I of Schedule A."

Motion No. 10 seeks to amend that sub-section by adding at line 36 the words:

—thereof and the extended benefit period (described in section 34) shall not exceed the maximum.

Effectively what the amendment seeks to do is add an additional category, namely, a benefit that can be claimed not only during the initial benefit period or the re-established portion of that period, but also during the extended benefit period, and by allowing a claim for any extended benefit period this would infringe on the Royal recommendation.

What occurs is that presently one can obtain benefits if one is a female and pregnant for a period within the initial benefit period, but that benefit is not available during the extended benefit period as otherwise provided under the act. My submission is that the amendment proposed for making that extended period of benefit available to the claimant, namely 15 weeks, which otherwise would not be available under the present statute, would increase that particular benefit with a resulting additional impost or duty imposed on general revenue.

In effect there are a wide number of claimants who otherwise would not be eligible but now would become eligible. As an example, there are a number of members here, who make representations on behalf of their constituents. Let us take the case of an applicant who makes

application for sick benefits which are only available now during the initial benefit period, and there is a determination that the initial benefit period has expired—therefore there are no sick benefits available to the claimant. Under this amendment the claimant would now seek to claim sick benefits and the possibility of benefits under the initial benefit period or reconstituted initial benefit period, but would not now have access to this. Under the proposed amendment in motion No. 10 the claimant would have access to the sick benefits to the full amount as indicated in Table 1 of Schedule A, being the full 15 weeks.

As another example, if the initial benefit period had expired, the claimant under the present statute would be entitled to that portion commensurate with the unexpired benefit period corresponding to Table 1. With the amendment the claimant would be entitled to the full benefit, namely, 15 weeks, although the portion of reconstituted initial benefit had expired, just as long as the claimant was entitled to the extended benefit period under Section 34.

I draw your attention in this instance to Citation 246 (3) of Beauchesne's Fourth Edition which states in part:

> The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down *once for all* . . . not only the amount of a charge, but also its objects, purposes, conditions and qualifications.

May I call it six o'clock.

Mr. Knowles (Winnipeg North Centre): Once and for all it is six o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Blais: Mr. Speaker, when we adjourned for dinner I was citing sub-paragraph (3) of citation 246 in Beauchesne. I indicated that I was coming to the juicy part which reads in this way:

> In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

I stress:

> . . . if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication . . .

In this instance the Royal recommendation sets out that this bill is authorized to provide in the manner prescribed for changes in qualifying periods, benefit periods, entitlement to benefits, and rates of benefits. One of the prescriptions is section 29, sub-section 5. There is an attempt by the government pursuant to the Royal recommendation to extend the benefits for sickness or pregnancy to those who are not only in the initial benefit period as previously, but also in the reconstituted benefit period. What motion No. 10 seeks to do is extend that entitlement not only to the 39 weeks under this particular bill but away out to the 51-weeks that would be available under the extended benefit period.

I simply want to draw your attention, Mr. Speaker, to the cases I cited before dinner where there is an additional burden on the general revenue, as there would be in respect of this proposed amendment. It would entitle a greater number of individuals who otherwise would not have access to sickness or pregnancy benefits. In that sense it is not prescribed by the Royal recommendation and any attempt to deal with it infringes the rules and the precedents. It also infringes Standing Order 62 which speaks of this House not dealing with any measure or bill which does not contain an appropriate Royal recommendation. Inevitably the Royal recommendation in this instance which I have read to Your Honour does not include the extended benefit from 39 to 52 weeks.

Mr. Deputy Speaker: Order, please. I do not want to impose on hon. members but it is my feeling that motion No. 10 has some procedural relation to motion No. 13. Unless members have different opinions I wonder whether the procedural discussion on both of these motions could not be taken at the same time, and then I would make my ruling.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the only point I wish to make is to draw your attention to the fact that, when we commenced the report stage of this bill, Mr. Speaker gave his view both in general terms and in specific terms concerning the report stage amendments. He found only two of them definitely out of order although he expressed his concern about a third one. The two he felt were out of order were motion No. 4 and motion No. 6. Then he said that he had some concern about motion No. 13. What he said, as reported at the bottom of the first column on page 10006 of *Hansard*, was in these words: "The remaining motions seem to be in order." A little later, when he was lining up the debating and voting on the motions, he said:

● (2010)

> Motions 9, 10, 16, 21 and 22 ought to be discussed and voted on separately.

I am reading that from *Hansard* of yesterday. I realize that it is not part of the record, but he was good enough to send around to us his memorandum regarding the various motions and in that memorandum there is a reference to a string of motions, including motion No. 10, as appearing to be in order. I do not want to press that too hard. This was not a final decision, but certainly we started debate yesterday on the understanding that what Mr. Speaker said would apply, namely, that he would find it difficult to accept motions Nos. 4 and 6, and he would find some difficulty with motion 13, but that the remaining motions seemed to be in order. I think it is a little unfair to have that plan upset by this point of order being raised at this time.

Mr. Andras: Mr. Speaker, the Parliamentary Secretary to the President of the Privy Council (Mr. Blais) has placed before us very cogently the reasons why motion No. 10 appears not to be acceptable. You, Mr. Speaker, have

made the suggestion that the principle, if accepted in our argument against motion No. 10, might also apply to motion No. 13. The hon. member for Winnipeg North Centre (Mr. Knowles) has suggested that motion No. 10 was passed by in Mr. Speaker's comments yesterday but that motion No. 13 was identified as causing some doubt. I think the principle of unacceptability on motion No. 13 almost applies in exactly the same way to motion No. 10, and I do not think that one ruling could be consistent without applying to the other motion, as you have suggested.

In addition to the very significant reason placed before the House by the parliamentary secretary, I want to make another point. The parliamentary secretary has indicated that this motion makes the payment of sickness, pregnancy unemployment insurance benefits available in the extended benefit period, and all the arguments he made are absolutely correct. It widens the risk in time, and it also adds a financial burden to the benefit pay out by virtue of including those people whose payment entitlement would have ceased due to the fact that the re-established initial benefit period had lapsed.

There is another cogent reason as well. Section 136(2)(a) of the Unemployment Insurance Act as amended in 1971, to which there are no amendments whatsoever in Bill C-69, clearly indicates that the government bears the cost of all extended benefits paid, and while the threshold for the initial and re-established benefit period at which government costs take over has been amended in Bill C-69, there is no suggestion in the bill that the government not continue to pay the total cost of extended benefits. In technical terms, the wording of both motion No. 10 and motion No. 13 would have the effect of paying sickness and pregnancy benefits in the extended benefit period, therefore being a charge to the government cost which was not intended in the Unemployment Insurance Act, and indeed not at all contemplated in Bill C-69.

For this reason, in addition to the very significant reasons presented by the parliamentary secretary, I submit that both these motions are in fact not receivable.

Mr. Rynard: Mr. Speaker, I wonder if I could have a clarification on two specific cases. One is the case of a gentleman who is working and whose job ceases. He receives benefits and two weeks later he suffers a heart attack, following which he receives sickness benefits. When these benefits run out, his doctor tells him that he is not sufficiently fit to go back to active work, but his job is waiting for him. On what does that fellow live? Does he get any benefits whatsoever?

The second case is that of a fellow who has a heart attack during his working hours. I know of two such specific cases. He is laid off and he receives sickness benefits. In the 15 weeks he is not able to go back to work, his doctor tells him that he is not well enough. The problem is that if he wants to go on pension, it is months before he can get it. What provisions are made to cover a case of this kind?

Mr. Rodriguez: Mr. Speaker, in speaking to the point of order let me say that the clause which resulted in our motion No. 10, in the name of the hon. member for Winnipeg North (Mr. Orlikow), is one in which the minister recognized there was a problem. The act recognizes that there is a sickness provision in the Unemployment Insurance Act which permits claimants to collect up to 15 weeks of sickness benefits.

What we have attempted to do in this amendment is to extend the period so that a person may get the 15 weeks of sickness benefits and does not have to get them within 39 weeks. In effect, the minister pointed out the problem quite correctly. An injured person may, for example, receive 10 weeks of regular benefits and then return to work. If this person falls sick within the initial benefit period, his or her entitlement to sickness benefits is restricted to five weeks. When that situation occurs a person stands to forfeit several weeks of benefits to which he or she would be entitled.

What the minister has done with his amendment is to extend the initial benefit period by 10 weeks. But of course that does not solve the problem; it extends it. If a person under the act is entitled to 15 weeks of sickness benefits, what we have attempted to do is to say that he or she should be able to collect 15 weeks of sickness benefits, irrespective of whatever other claims he or she may have had on the fund.

That is the point of sickness benefits, to give people a replacement of their earnings because, as has been pointed out, what happens if a person runs out of weeks under the minister's present amendment and is short of, say, 10 weeks of sickness benefits? What do they do? Do they fall on the tender mercies of the welfare department? I say that the minister should not hide behind the formality of the act. If he wants to be Scrooge, let it be out in the open so we can vote on the amendment. I urge, Mr. Speaker, that you rule that this amendment is in order, and then members of the House can decide whether or not they want the act as amended.

Mr. Deputy Speaker: Order, please. I think I am now in a position to make a judgment, unless hon. members want to pursue some further points.

With regard to the last point made by the hon. member for Nickel Belt (Mr. Rodriguez), I should like to remind him that it is not the responsibility of the Chair to decide whether or not an act or a bill is just, or meets the requirements or standards which it was meant to achieve. The Chair is only here to try to judge as to whether or not a motion, or an amendment, or a bill is procedurally acceptable.

Of course the hon. member for Simcoe North (Mr. Rynard) raised two specific cases on which the Chair cannot comment. This bill may in its application be sometimes unjust to some persons, but is not the responsibility of the Chair either to pass judgment on the act or interpret it. This has not been my concern.

● (2020)

In my opinion the hon. member for Winnipeg North Centre (Mr. Knowles) did not make a very strong argument as to the acceptibility of both of these amendments, with the exception of the point he made about Mr. Speaker's comments with regard to the acceptability of motion No. 10. Of course the hon. member did mention that Mr.

Speaker further indicated that he had some reservation as to the acceptability of motion No. 13.

Perhaps it might be simpler for me to start with motion No. 13 in this case, taking into account the fact that Mr. Speaker has indicated a caveat or a reservation as to the acceptability of that motion. In making a decision on motion No. 13, I think hon. members will later come to the same conclusion I have on motion No. 10 because of the close relationship of one amendment to the other with regard to what they both seek to achieve.

In referring to motion No. 13, Mr. Speaker made the point that it sought to go beyond the scope of the bill which is before the House at this time. That is the only argument he made at that time, but the hon. member must understand that, at the outset of any report stage debate, after a general and rapid examination of the amendments the Chair makes suggestions on groupings and on the acceptability of some of the amendments. I am sure the hon. member for Winnipeg North Centre and other hon. members would be the first to complain about a rigid decision at that time from the Chair without any hon. members having been heard. So I think that we can take the words of Mr. Speaker for what they are, and in the context of the time they were uttered to the House at the outset of the debate without precluding the rights of hon. members.

I am sure hon. members will agree with me that motion No. 13 suggests the elimination of subsection 36(1) of clause 11, which is really a section in the act and not in the bill in front of us, and that what the hon. member is trying to do is to eliminate a clause which has not been brought before the House for discussion or modification. If hon. members will take the time to read a citation in May's eighteenth Edition at page 508 they will find that an amendment is out of order if it is beyond the scope of a bill, irrelevant to the subject matter, or beyond the scope of the clause under consideration.

Clause 11 of the bill proposes to eliminate subsection 33(2), but there is no mention of subsection 36(1). On that ground alone I feel that motion No. 13 cannot be accepted. Although it was not mentioned by Mr. Speaker, the Chair had been concerned also about what would be achieved by the elimination of subsection 36(1), which is proposed in motion No. 13, but it had not noticed at that time that motion No. 10 was attempting to achieve the same purpose.

Because of the intricacy of the act and the difficulty for the Chair is seeing all the implications behind such a complicated piece of legislation, it was felt that instead of bringing it to the attention of hon. members early in the report stage in a procedural debate, the Chair should wait and at least invite hon. members to participate in a procedural argument when we came to motion No. 13. This debate has now come earlier because of the point of order raised by the hon. parliamentary secretary, and I am sure that even the hon. member for Winnipeg North Centre, who is well known for his competence in the interpretation and application of the rules of the House, and for identifying precedents upon which decisions can be made as to the acceptability of amendments, would argue with difficulty against the points which have been made by both the minister and the parliamentary secretary. The citation put forward by the parliamentary secretary, citation 246 of Beauchesne, is very clear in paragraph 3, and I do not wish to read this paragraph again.

If some hon. member could have convinced me that these amendments would not bring a financial burden on the Crown, I would have been ready to let the motions come to a vote and to let the House decide. However, considering the basic principle by which a proposal, which definitely commits public money, has to be accompanied by a recommendation to support the expenditure of money, it is impossible for me to accept either of these amendments.

Just to be clear, because of everything I have said, which has been supported by arguments put forward by some hon. members and by the references to which I have referred, I declare that motions Nos. 10 and 13 are not acceptable.

We will proceed now to the consideration of motions Nos. 11 and 12 which are to be debated together and are to be disposed of by one vote on motion No. 11.

The hon. member for Hamilton West (Mr. Alexander) moves:

Motion No. 11.

That Bill C-69, to amend the Unemployment Insurance Act, 1971, be amended by deleting Clause 10.

The hon. member for Winnipeg North Centre (Mr. Knowles) moves:

Motion No. 12.

That Bill C-69, to amend the Unemployment Insurance Act, 1971, be amended by deleting Clause 10.

Mr. Alexander: Mr. Speaker, I do not intend to be long with respect to my motion.

Some hon. Members: Hear, hear!

Mr. Alexander: If I hear clapping from the other side I am likely to be extremely repetitious in terms of what I think is wrong in the thinking of the government when it comes to dealing with our senior citizens.

My motion once again registers extreme concern about the position the government, through its minister, is taking regarding our senior citizens. I am endeavouring to wipe out clause 10, with some sympathy from the minister who perhaps could show some compassion in this regard, but knowing he is involved with those in the bureaucracy who advise and counsel him, perhaps he cannot lean my way. I know that the minister has some sympathy in this regard.

● (2030)

What I should like to point out in reference to this particular clause is that in order to appease the senior citizens after having thrown them off the cliff, after having disenfranchised them regarding unemployment insurance, then the government wants to give them, as in the prior bill, a three week bonus. At the same time clause 10 amends section 31.(4) of the act to read:

Any benefit period established for a claimant under this part if not earlier terminated under this part terminates—

This is the important word, Mr. Speaker.

—terminates at the end of the week in which he attains the age of 65 years.

I say shame to that, Mr. Speaker. Look at the minister over there—his conscience must bother him.

Mr. Stanfield: It should.

Mr. Alexander: If it does not, it should. These people have made a magnificent contribution to the development of this country.

Mr. Broadbent: The minister?

Mr. Stanfield: Oh, no!

Mr. Alexander: As a result of it many of us are either standing at this particular instance, or sitting. This minister wants to cut them off—

Some hon. Members: Shame.

Mr. Alexander: —send them out to pasture.

An hon. Member: Callous.

Mr. Alexander: I do not know how the minister can sit there and smile.

An hon. Member: That's easy; he's a Liberal.

Mr. Alexander: I have made my point with respect to this matter. I think it is wrong, unjust, callous—

An hon. Member: Cruel.

Mr. Alexander: That is another good adjective—cruel. There is no compassion shown for our senior citizens who have done so much for our country. As I said before, the government wants to give prisoners who are incarcerated some sort of relief and bring them into the unemployment insurance picture after they are discharged from jail or the penitentiary.

An hon. Member: Oh, oh!

Mr. Alexander: Mr. Speaker, I hear the Minister of National Revenue (Mr. Cullen). The government seems to have more compassion for those who are incarcerated than for those who are abiding by the law. I do not understand that, but I will not let the minister distract me from what I want to bring home to the government. Look at the Minister of Transport (Mr. Lang). He has his problems and I do not want him to disturb me because I do not want to disturb him. He has problems with Skyshops, with Air Canada, with air traffic controllers—I am glad he interjected. Let me tell him that it can never be said that we on this side are not concerned about safety. I will stop there and get back to my original point, Mr. Speaker.

The minister is intelligent but it is unfortunate that his intelligence does not show with respect to his portfolio.

An hon. Member: He is sitting on it.

Mr. Alexander: I told the minister what I thought of this particular clause. He has played Scrooge for our senior citizens, and Santa Claus for the prisoners. We will not accept that attitude, and I know that the hon. member for Dauphin (Mr. Ritchie) will have more to say about this. Our senior citizens have every right in the work force, not because they enjoy work or that it is a hobby but because they have responsibilities to their families. As a result of the government's attitude toward inflation these are the people who are being hurt most by the high cost of living, by the two figure inflation. The government says they are not being forced out of work. All it wants them to do is not pay premiums and not draw benefits. I have not been so angry since I came here, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Alexander: That is the Minister of Justice (Mr. Basford). He just had a little conference with his colleagues at the provincial level to see whether they would accept a human rights commission in principle. He should direct his attention to that and see whether legislation can be brought in to assist Bell Canada remove hate messages from the wires. That would be a service to this country.

Some hon. Members: Hear, hear!

Mr. Basford: Read their communiqué.

Mr. Alexander: I will ask the minister a question about this tomorrow. On a matter of such seriousness I resent members of the front benches interjecting. When I am talking about the plight of our senior citizens they make light of it.

Why single out the senior citizens, Mr. Speaker? I direct that remark to the minister. We have the benefit control system, and if they are abusing the system they can be caught and let out of the system. Look at the minister smiling. There is something about him that reminds of Kojak, but I cannot think what it is.

Some hon. Members: Hear, hear!

Mr. Alexander: Why pick on the senior citizens? Benefit control officers can find out if they are abusing the system and take steps to correct it, but why cut them off? In conclusion, Mr. Speaker, as I look at the handsome face of the Minister of Justice—

Mr. Nielsen: You look at what?

Mr. Alexander: I will not be much longer. As a matter of fact I will sit down right now and my colleague, the hon. member for Dauphin, will carry on, but I must say that we resent the attitude of the government regarding our senior citizens.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, since I sit across from more sedate cabinet ministers like the Minister of Manpower and Immigration (Mr. Andras), and my friend from Winnipeg, the Minister of National Defence (Mr. Richardson), perhaps I will find it easier to stay on the subject than did my friend, with the Minister of Justice (Mr. Basford) and the Minister of Transport (Mr. Lang) facing him and interrupting his remarks.

Mr. Basford: On a question of privilege, Mr. Speaker—

Mr. Deputy Speaker: The Minister of Justice (Mr. Basford) on a question of privilege.

Mr. Basford: I regard that remark as a very sad and unfair reflection both on my very good friend, the hon. member for Hamilton West (Mr. Alexander), and myself. We are both sedate, and I took the inference from the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) that we were not. I think my friend would agree with me that we are both sedate.

An hon. Member: Sedentary.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I enjoyed the smile I just got from the Leader of the Opposition (Mr. Stanfield). I think only someone of his capacity could make an appropriate reply to that question of privilege so I will leave it to him to be dealt with later. As for the state of sedation of ministers opposite, perhaps we can leave them until they are 65, when they might be concerned.

● (2040)

Mr. Guay (St. Boniface): When we read that point we will be, Stanley.

Mr. Knowles (Winnipeg North Centre): Some of us need not worry about waiting for that point.

In debating motions Nos. 11 and 12 we are, in effect, discussing the other side of an issue we debated yesterday when discussing motions Nos. 1 and 2. In both cases the sponsors are the hon. member for Hamilton West (Mr. Alexander) and the member for Winnipeg North Centre (Mr. Knowles). We are expressing our concern about the unfairness the government proposes to inflict on persons between 65 and 70 years of age. The debate yesterday revolved round the proposal to change that part of the Unemployment Insurance Act which permits those persons to contribute to unemployment insurance. Now we are debating changes in the act which will deny people between 65 and 70 years benefits under the act. In other words, the two provisions go together; and we suggest that they do a great disservice to Canadians between 65 and 70 years old. I speak of those in that particular age bracket because those 70 years old and more have already been excluded from the benefits of the Unemployment Insurance act, whereas this bill, as it now stands, will put those between 65 and 70 in the same category.

We all appreciated the speech made yesterday by the hon. member for Davenport (Mr. Caccia), who suggested that as the Unemployment Insurance Commission employs controls and methods to prevent people from abusing the act, if those controls can be applied to people in their thirties and forties they can be applied to workers between 65 and 70, and that it is unfair to single out persons over 65 years old who may be working and say to them, "You will not get benefits which other workers who happen to be one or two years younger are getting."

Mr. Béchard: What about those over 70?

Mr. Knowles (Winnipeg North Centre): I would take the same view. It so happens, if the hon. member is not aware of it, that his government a few years ago took this right away from persons of 70 or over. The Unemployment Insurance Act in its original form had no upper age limit at all. Persons in the labour force had the rights of all other workers, regardless of age.

An hon. Member: What were the benefits then?

Mr. Knowles (Winnipeg North Centre): They were a lot less than they are now. Really, I am waiting for my hon. friend to make a speech. He has put a good many words on *Hansard* in the course of this debate, but always from his seat.

Mr. Dionne (Northumberland-Miramichi): They do not pick up comments.

Mr. Knowles (Winnipeg North Centre): I know how he sounds sitting down. I wonder how he would sound on his feet.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Because we feel that certain parts of the bill are unfair and discriminate against workers on the basis of age, we feel that those portions of the amending bill should not be passed in their present form.

As I argued yesterday, much more needs to be done for people as they reach the age of retirement. At present we make retirement compulsory, whether people want to retire or can afford to do so. At the moment, 65 is the age of retirement. Surely it is possible for us to devise means whereby Canadians can retire when they want. That is why pensions ought to be available at age 60, although not universally as they are at age 65. I suggest that pensions ought to be available for those who choose to leave the labour market.

If people choose to stay in the labour market when they are between 60 and 65 years old, they should have the right to do so; but they should also have the right, throughout the decade 60 to 70 years of age to contribute to and draw benefits from the unemployment insurance legislation. It is as simple as that. As I say, yesterday we debated the paying inside of the proposition; now we are debating the benefit side of the same legislation.

I was twitting my hon. friend across the way a moment ago about his frequent remarks from his seat and saying I should like to hear him on his feet. That is just part of our exchanges back and forth here.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order.

An hon. Member: Hurrah, he is on his feet!

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, if the hon. member opposite, for whom I harbour no animosity, wants to know what I think of the bill, he need only look at my speech on second reading. He was in the House, although I do not think any of his colleagues were. As the hon. member's leader said not long ago, we are the party in government and must show more responsibility.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I apologize for having a second time in my speech provoked a point of order which, obviously, is not a point of order.

Mr. Rodriguez: Obviously the hon. member opposite is not spending enough time in the House.

Mr. Knowles (Winnipeg North Centre): My referring to the hon. member for Northumberland-Miramichi (Mr. Dionne) was a preamble to my saying that the person from whom we really want to hear in this debate is the minister. Of course he may tell us that he spoke on second reading and appeared before the committee.

When we adopted the provision for report stage debate we provided for the mover of the motion to speak for 40 minutes, and the minister to reply for 40 minutes. Everybody else may speak only 20 minutes. We recognized that when a serious proposal is made by way of report stage amendment, the minister should be given a special opportunity to reply. He has said very little, yesterday and today, in this report stage debate, and he had nothing at all to say on the taking away of unemployment insurance protection from those aged 65 years and over, when we discussed the subject yesterday. I hope he will enter the debate today, or enter it at an early stage. No doubt he has arguments to advance in support of the validity of this measure; otherwise he would not bring it before us.

Having heard the arguments made by members of all parties in this House, to the effect that this provision should not stand, I invite the minister to enter the debate. And when I speak of all parties I remind him that the members of the Progressive Conservative party want to rescind the cancellation of benefits at age 65; we want to do it, too. My friends in the Social Credit party take the same position, and at least one Liberal member, the hon. member for Davenport, took this position openly yesterday. I understand that when the vote comes, several Liberals may vote with us. So, in all corners of the House members think this measure unfair, and I hope the Minister of Manpower and Immigration will say something to us about it.

Sir, as I said yesterday, we have come a long way in the decades I have been here in improving the lot of our older people, particularly in terms of pensions, medical care and housing. But that is no reason for taking away from them their right to be part of the work force, if that is their choice.

● (2050)

In removing the right to participate from workers over the age of 65 we are taking away a right which applies in the case of workers in a younger age bracket and I hope, therefore, that when the vote comes on these two motions, despite the fact that we are pretty well along the way, the House will this time decide that Canadians between the ages of 65 and 70 should remain eligible for participation in the unemployment insurance program. Surely that is their right.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I think that the hon. member for Winnipeg North Centre (Mr. Knowles) has stated fairly well what all members of the House think about the abolition of unemployment insurance benefits for individuals aged 65 or over and even 60 or over.

Mr. Speaker, workers are now paying their unemployment insurance contributions and I think they are entitled, as long as they have opportunities for employment, to those benefits if for one reason or another, they become unemployed. Pensions are denied to workers of 60. We have been advocating that in the House for some fifteen years, however, the government maintains it is unable to pay those pensions to individuals over 60. For purely financial reasons, it is suggested that at 65 people are unable to work. We have considerable evidence that some individuals of 65 or over even of 70 and up to 75 can still perform paying work which is considered as adequate. I have in mind the case of an 85-year-old Rouyn-Noranda man who was sawyer 40 or 50 years ago. Last year, a north western company needed such a man; they went and hired him at 85 years of age to continue to saw in this Rouyn-Noranda sawmill.

Mr. Speaker, I am not saying that any person of 85 can do the same thing. This citizen was not contributing at that time to unemployment insurance, because he was over the required age. However, nothing prevents a great number of persons, 65 to 70 years of age, to accomplish a sensible and essential task in many cases. While there are young people who cannot or will not assume working responsibilities, there are people 65, 66 or 67 years old who are employed.

Mr. Speaker, if these working people who are 65 and paying unemployment insurance premiums became unemployed while remaining able and willing to work, there is no reason why they should not be paid unemployment insurance benefits.

I feel that my colleague the hon. member for Kamouraska (Mr. Dionne) who is well informed about work and unemployment insurance has clearly expressed the position of the Social Credit Party on this unique legislation which the government has introduced in Parliament. And I sincerely believe that hon. members from both sides of the House want that citizens 65 years of age and over in their ridings be allowed to work if they want to. On the other hand if they decided not to stop working or to leave the labour market and receive some annuities or pensions, then it would be all right to discontinue payment of these benefits. Yet, if this citizen chooses to go on working rather than draw old age pension, the government should be respectful towards those Canadian citizens who are the agents of the normal development of our country with their own work. Instead of penalizing them when they reach the age of 65, let us grant then the right to decide by themselves about their work and their life and not by a unilateral act of the federal government.

[*English*]

Mr. Gordon Ritchie (Dauphin): I should like to say a few words in connection with this amendment, Mr. Speaker. In effect what it is saying to the Unemployment Insurance Commission is that workers should retire at the age of 65—that they are not needed in the work force any more. I think this is a wrong attitude to take. Many workers over the age of 65 have important responsibilities. But the attitude of the Commission is: this is a bad-risk group so

let's get rid of them. It is rather like saying that all drivers under 25 are bad risks so they should be prevented from driving cars.

Approximately 25 per cent of the total cost of unemployment insurance consists of extended benefits. Those who continue working will still have to pay their share of the tax dollar wich goes to defray the cost of extended benefits. In effect, the right to pay in and take out is being denied to these older workers, but they will still have to pay through general taxation a sizeable portion of the cost of unemployment insurance. This is a serious mistake and I believe it will discourage older workers from remaining in the work force. Nevertheless, I think we are going to need them. A recent study conducted in England showed that older workers were, on the whole, more reliable and diligent than younger workers, and performed their duties better.

The thinking of the Unemployment Insurance Commission seems to be based on the fact that benefits drawn by members of this group amount to approximately $2,800 as against approximately $1,800 in the lower age groups. Some weight was also given to the idea that they were all getting approximately $1,000 a year from the Canada Pension Plan.

The question has been raised as to the effectiveness of benefit control officers in relation to the claims of older workers. Mr. Speaker, it is my experience that control officers are usually more severe with older workers than they are with youthful workers. If there is any discrimination on the part of the officials it is my experience that the older worker is discriminated against—he is often expected to meet conditions which do not seem to apply to younger workers.

If it were decided that unemployment insurance benefits ought not to be paid to those over 65 on the basis that they receive payments from the Canada Pension Plan, there is an obvious way out. It is that the person concerned should not be obliged to accept Canada Pension Plan payments but would be permitted to remain in the work force, pay unemployment insurance, and receive benefits if he became unemployed and met the appropriate conditions. Thus he could remain in the work force while building up his Canada Pension Plan contributions.

● (2100)

I also take exception to the fact that severance pay is not given those who retire at 65. In the present act the cut-off age is 70. This really means that anyone who is unemployed in their sixty-fifth year will be denied the three weeks' severance pay, or a portion of it, and I think that is wrong. The argument is made that those over 70 have suffered the same experience, but in point of fact not too many people over 70 are working these days, whereas many people are still working when they reach 65. So the government is saving a week or two severance pay at the expense of these people, and this is not a good thing.

If there is to be severance pay, let everyone receive it equally, whether they are 65 or over. If they are 64 they should not be discriminated against in this regard.

I think this clause is ill-advised. It decreases the incentive of older workers to remain in the work force, with a consequent loss of productivity to the nation. This means we lose the benefit of what age brings with it, namely, experience and reliability. Such a provision is prematurely removing people from the work force by making them no longer welcome.

[Mr. Ritchie.]

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I do not want to sound repetitious but some things have to be said again and again to the government, things that bear repeating. I do not know what it takes to get through to the bureacratic nabobs who advise the minister. Certainly there is not much use my directing my arguments to the minister; I have to direct them to the bureaucracy which is guiding the minister in his fight against inflation.

During committee study of the bill the minister and his bureaucrats put forward two basic reasons for dropping the 65 to 69 year olds from coverage under the Unemployment Insurance Act. The first reason given by the minister, which doubtless he will give again on third reading, was that the government has improved old age security, the Canada Pension Plan, and the guaranteed income supplement. In committee the minister admitted that the maximum a person could collect under these three plans would be about $3,000. The minister talks of the social security program as though it replaces the income of a 65 year old who has dependants.

The Minister of National Health and Welfare (Mr. Lalonde) has recognized that the Canada Pension Plan is only a supplement to private pensions that workers contribute to while employed. Less than 40 per cent of the workers of this country participate in a private pension plan, which means the great majority do not enjoy any kind of contributory pension plan.

Mr. Peters: As a miner I had to join this place to get a pension.

Mr. Rodriguez: The hon. member for Timiskaming (Mr. Peters) points out that as a miner he had to join the House of Commons so he could enjoy a pension plan. And what a pension plan it is! Certainly it is an incentive to come back here again and again.

Mr. Peters: And we pay for it.

Mr. Rodriguez: That is right. The government claims that its social security programs are a replacement for income, yet the health and welfare minister recognizes that the Canada Pension Plan is supplementary to pensions in the private sector. As I have pointed out, most workers do not have a private pension plan. When they reach 65, 66 or 67 they must continue to work instead of retiring. It is essential that they continue to seek work and try to earn a living in order to keep themselves and their families. After all, it is not unusual for a 65 year old to have dependants. Even the Prime Minister (Mr. Trudeau) will have dependants when he is 65 so I am not talking about an unreal situation, though he will not have to worry about unemployment insurance.

An hon. Member: He may in 1978.

Mr. Rodriguez: Who knows. The government has embarked on what it calls a restraint program. But against whom is its restraint directed? The government usually picks on those least able to defend themselves, the aged,

children, and women. It never picks on the rich and powerful. The government is going to announce shortly what it intends to do to fight inflation, but what bothers me about the government's fight against inflation is that it is always fought on the backs of the poor. We have seen this in the elimination from the Unemployment Insurance Act of the over 65 year olds. We have seen it in the proposal now before the House to eliminate the dependency rate. We have seen it in the proposal to eliminate advance payments. I point out that 70 per cent of those who collect unemployment insurance earn less than $6,000 a year, and it is against these poor people that these provisions are directed.

Although many of these arguments have been made before, it seems to me absolutely essential that they be made again and again. I have no respect for a government with the majority it has that uses its power in this way. The unemployment insurance program is a social program, not an insurance program at all. It is one of the most direct ways of transferring funds to those who earn the least amount.

I know one of my colleagues in the opposition also wishes to say a few words this evening, so at this point I will take my seat.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, during the few minutes we have left to discuss Bill C-69, which is very important for the class of workers over 65, let me, on behalf of the official opposition, ask the government to give benevolent consideration to citizens over 65. Many of them have come to see me in my constituency, and I am sure that similar representations have been made to government members, I would even say, to request government compassion, and to say how much they think it is important to defeat this amendment.

I am convinced, Mr. Speaker, and I sound the alarm at the last moment, because I am sure that hon. members from my province and from other provinces as well have made the same representations to beg for more understanding and compassion on the part of the government, which seems to be too hard on that class of people who not only deserve but are entitled to the continued enjoyment of unemployment insurance benefits. May I be allowed, Mr. Speaker, in the few seconds I have left, to appeal to the minister, to beg of him to understand the importance of being just towards them. My colleagues of the Social Credit Party, the NDP and the Progressive Conservative Party agree with me that it is unthinkable that we should stand alone on this side of the House, when I see people like the hon. member for Laval (Mr. Roy), who received representations from their ridings, but who did not even speak to this bill. Other hon. members on the government side did not even have the courage to ask the minister to understand. I see the hon. member for Laval—

Mr. Speaker, I know my time is limited, but allow me to cry out for help on behalf of those people of 65 or more. I ask the minister to understand the importance of cancelling this amendment that is unjust, discriminatory and unacceptable, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Bonaventure-Îles-de-la-Madeleine.

Mr. Béchard: Mr. Speaker, before—

Some hon. Members: Hear, hear!

Mr. Béchard: You hear the members of the opposition: it is a perpetual muzzle—

Some hon. Members: Hear, hear!

Mr. Béchard: Mr. Speaker, I wish to ask the hon. member for Joliette a question—

Mr. Deputy Speaker: Order. It is difficult for the Chair to make a decision concerning a point of order. Because of the din, we did not hear anything on this side of the House.

I shall call upon the hon. member to present his point of order after we have disposed of various questions.

Order. It being 9.15 p.m., it is my duty to interrupt the proceedings pursuant to the provisions of the order which was passed today so that the House may proceed to the deferred votes concerning any motion aimed at amending Bill C-69, An Act to amend the Unemployment Insurance Act, 1971.

[*English*]

The question in on motion No. 1. Call in the members.

The House divided on motion No. 1 (Mr. Alexander), which was negatived on the following division:

(*Division No. 89*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Baker (Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Brisco
Cadieu
Caouette (Villeneuve)
Caouette (Témiscamingue)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dick
Dionne (Kamouraska)
Epp
Fairweather
Forrestall
Fortin
Friesen
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
MacDonald (Egmont)
MacLean
Malone
Marshall
McCain
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rondeau
Rynard
Schellenberger
Scott
Skoreyko
Smith (Churchill)
Stanfield
Stewart (Marquette)
Towers
Wagner
Whiteway
Wise
Woolliams—74

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker

Messrs.

Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Douglas
(Nanaimo-Cowichan-
The Islands)
Dupont
Dupras
Duquet
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Goodale
Goyer
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Joyal
Kaplan
Knowles
(Winnipeg
North Centre)
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Leggatt
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacFarlane
Mackasey
Marceau
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
Nystrom
O'Connell
Olivier
Orlikow
Parent
Pearsall
Pelletier
Penner
Philbrook
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rodriguez
Rompkey
Roy
(Timmins)
Roy
(Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Symes
Tessier
Trudeau
Trudel
Turner
(London East)
Watson
Yanakis
Young—127

● (2140)

Mr. Speaker: I declare the motion lost.

Motion No. 1 (Mr. Alexander) negatived.

The House divided on motion No. 2 (Mr. Knowles (Winnipeg North Centre)) which was negatived on the following division:

(*Division No. 90*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Baker
(Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Benjamin
Blackburn
Breau
Brewin
Brisco
Broadbent
Cadieu
Caouette
(Villeneuve)
Clarke
(Vancouver Quadra)
Cossitt
Crouse
Darling
Dick
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Epp
Fairweather
Forrestall
Fortin
Friesen
Gilbert
Halliday
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hees
Hnatyshyn
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Kempling
Knowles
(Winnipeg
North Centre)
Knowles
(Norfolk-Haldimand)
Lambert
(Bellechasse)
Lambert
(Edmonton West)
La Salle
Leggatt
MacDonald
(Egmont)
MacLean
Malone
Marshall
McCain
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nielsen
Nystrom
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rodriguez
Rondeau
Rynard
Schellenberger
Scott
Skoreyko
Smith
(Churchill)
Stanfield
Stewart
(Marquette)
Symes
Towers
Wagner
Whiteway
Wise
Woolliams—86

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caouette
(Témiscamingue)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Dupont
Dupras
Duquet
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Goodale
Goyer
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacFarlane
Mackasey
Marceau
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Parent
Pearsall
Pelletier
Penner
Philbrook
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rompkey
Roy
(Timmins)
Roy
(Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Tessier
Trudeau
Trudel
Turner
(London East)
Watson
Yanakis
Young—115

● (2150)

Mr. Speaker: I declare the motion lost.

Motion No. 2 (Mr. Knowles (Winnipeg North Centre)) negatived.

Mr. Speaker: Order, please. The vote on motion No. 1 should have been announced as yeas, 74; nays, 127.

The question is now on motion No. 7, which by previous order and agreement is taken to be a vote on motions Nos. 8, 14 and 15 as well.

The House divided on motion No. 7 (Mr. Alexander) which was negatived on the following division:

(*Division No. 91*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Baker (Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Benjamin
Blackburn
Breau
Brewin
Brisco
Broadbent
Cadieu
Caouette (Villeneuve)
Caouette (Témiscamingue)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dick
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Epp
Fairweather
Forrestall
Fortin
Friesen
Gilbert
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Leggatt
MacDonald (Egmont)
MacLean
Malone
Marshall
McCain
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Nystrom
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Roche
Rodriguez
Rondeau
Rynard
Schellenberger
Scott
Skoreyko
Smith (Churchill)
Stanfield
Stewart (Marquette)
Symes
Towers
Wagner
Whiteway
Wise
Woolliams—86

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Dupont
Dupras
Duquet
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacFarlane
Mackasey
Marceau
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Parent
Pearsall
Pelletier
Penner
Philbrook
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rompkey
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Tessier
Trudeau
Trudel
Turner (London East)
Watson
Yanakis
Young—113

● (2200)

Mr. Speaker: I declare motions 7, 8, 14 and 15 lost.

Motion No. 7 (Mr. Alexander) negatived.

Motion No. 8 (Mr. Rodriguez) negatived.

Motion No. 14 (Mr. Alexander) negatived.

Motion No. 15 (Mr. Rodriguez) negatived.

Mr. Speaker: The question is on motion No. 9, standing in the name of the honourable member for Timiskaming (Mr. Peters).

The House divided on motion No. 9 (Mr. Peters) which was negatived on the following division.

(*Division No. 92*)

YEAS

Messrs.

Allard
Beaudoin
Benjamin
Blackburn
Brewin
Broadbent
Caouette (Villeneuve)
Caouette (Témiscamingue)
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Fortin
Gilbert
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Leggatt
Nystrom
Orlikow
Peters
Rodriguez
Rondeau
Symes—21

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Baldwin
Balfour
Basford
Bawden
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Cadieu
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Chrétien
Clarke (Vancouver Quadra)
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Cossitt
Côté
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Dupont
Dupras
Duquet
Epp
Fairweather
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Friesen
Gauthier (Ottawa-Vanier)

Messrs.

Gendron
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Harquail
Hees
Herbert
Hnatyshyn
Holt (Mrs.)
Hopkins
Howie
Huntington
Hurlburt
Isabelle
Jarvis
Jelinek
Joyal
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert (Edmonton West)
Landers
Lang
Langlois
Laniel
Lapointe
La Salle
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacFarlane
Mackasey
MacLean
Malone
Marceau
Marchand (Kamloops-Cariboo)
Marshall
Martin
McCain
McGrath
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Mitges
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil
Nicholson (Miss)
Nielsen
O'Connell
Olivier
O'Sullivan
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Philbrook
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Reynolds
Richardson
Roberts
Robinson
Roche
Rompkey
Roy (Timmins)
Roy (Laval)
Rynard
Saltsman
Sauvé (Mrs.)
Schellenberger
Scott
Sharp
Skoreyko
Smith (Churchill)
Smith (Saint-Jean)
Stanfield
Stewart (Marquette)
Tessier
Towers
Trudeau
Trudel
Turner (London East)
Wagner
Watson
Whiteway
Wise
Woolliams
Yanakis
Young—178

Mr. Speaker: I declare the motion lost.

Motion No. 9 (Mr. Peters) negatived.

Mr. Stanfield: I rise on a point of order, Mr. Speaker. I do so not to dispute any vote which has taken place but to seek your guidance in connection with future votes. I am referring to the fact that the Minister of Justice (Mr. Basford) was not in his place at the time the Whips sat down.

Some hon. Members: Oh!

Mr. Stanfield: Perhaps members opposite would quieten down. It did not affect the outcome of the vote, but I cannot recall any instance since I have been here when a minister whose vote was recorded was not in his seat at the time the Whips took their seats, and since there is the possibility of dispute in the future over this kind of question, I seek your guidance.

Some hon. Members: Oh!

Mr. Stanfield: Hon. members over there can settle down for a moment. I am seeking guidance for future situations so that there may be no misunderstanding. I do not know whether the Minister of Justice has anything to say about this tonight, but it might be helpful if Your Honour would inform the House as to the view of the Chair on this question. Must a member be in his place for a vote according to the traditions of this House when the two Whips sit down, or is moving around in the chamber after the Whips have taken their places in order?

[Mr. Speaker.]

Mr. Basford: Mr. Speaker, I appreciate the Leader of the Opposition (Mr. Stanfield) raising this matter in order, as he says, that Your Honour might give guidance to the House on this issue. I do not have the rule in front of me but I believe it says that members must be in the House at the time a vote is called. I want to assure honourable members that I was in the House. I apologize to Your Honour for not being in my place at the time you called the vote. I was discussing a matter of urgent public and state importance with the honourable member for Fundy-Royal (Mr. Fairweather).

● (2210)

Some hon. Members: Oh, oh!

Mr. Basford: I have always regarded him with high esteem, and his conversation was so engaging that I apologize to Your Honour for not realizing you had called the vote.

Some hon. Members: Hear, hear!

Mr. Speaker: The Leader of the Opposition (Mr. Stanfield) raises a point of order which certainly is worthy of consideration, and he is totally accurate when he indicates that I would not propose to deal with it at this time. The question of whether or not the Minister of Justice (Mr. Basford) was in the Chamber is one I noted carefully when the matter first arose. Certainly the minister was in the chamber at the time. However, there are clear restrictions against members moving about during the taking of a vote, the obvious reason being, of course, that members who move about during the taking of a vote even after casting their ballots make accuracy very difficult. Therefore respect for the rule is expected.

The Minister of Justice has apologized to the Chair for what is a very rare occurrence. Presumably it would affect the first vote; those thereafter I presume will be valid because the minister was properly in his seat. The Leader of the Opposition does not challenge the vote in any way; that is clear. The vote having once been taken and recorded, it cannot be challenged in any event. The Leader of the Opposition has asked the Chair to take the point of order under consideration. This I will be pleased to do and perhaps will reconsider it at a later time.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENVIRONMENTAL AFFAIRS—REQUEST FOR CLARIFICATION OF STATEMENTS ON EMISSION STANDARDS APPLICABLE TO SYNCRUDE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I am sorry to see the House vacating itself so quickly. I am aware of what happened in British Columbia last week, but I am delighted to see that some of my hon. friends are remaining.

This matter arises from a question asked of the former minister of the environment on November 14 dealing with the ecological effects of the tar sands development in Alberta. The minister answered a variety of questions over several days, and as reported at page 9016 of *Hansard* she answered my question as follows:

> Mr. Speaker, I want to assure the hon. member that we do not feel we have a conflict of interest. Quite to the contrary, it is precisely because we have some involvement in that project that any activity at that site falls within government policy, under which environmental impact studies must be produced to the satisfaction of the Department of the Environment.

That answer was given to protect the government from the allegation that, in view of the heavy investment made by the Government of Canada in the Alberta tar sands project, its ability to protect people of the area, in the Northwest Territories and in Saskatchewan, from the probable effect of excessive SO_2 emissions in developing the tar sands is inhibited.

My point in again raising the issue tonight is to get the government to come to grips with a serious ecological problem associated with that development, and also to challenge the abandonment by the government of any kind of ecological leadership, particularly in view of the recent decision to eliminate the Department of the Environment as a separate department, in a sense drowning it in the Department of Fisheries.

We have been concerned for some time, in this party and on this side of the House, with what appears to be an eroding attitude in respect of protection of the environment. In fact what we have been faced with is really a policy paralysis in ecological matters. When I and the hon. member for Oshawa-Whitby (Mr. Broadbent) asked the government, specifically the Minister of Energy, Mines and Resources (Mr. Gillespie), to explain why the federal government had not yet had a representative on the board of directors of the tar sands project, and why no final agreement had been signed, his answer was that it had not been signed yet, but an agreement in principle had been reached on February 3 of this year.

During that ten-month period decisions which will have important environmental effects have been taken by the management committee which is running the day-to-day operations of the tar sands projects. One of these important decisions taken by management was to enter into an agreement with the Alberta government which allows the Syncrude project to emit 287 long tons of sulphur dioxide per day, in spite of the fact that experts within the Department of the Environment had said in 1974 that 140 long tons a day was an unrealistic figure, but that 40 long tons were O.K. in terms of existing technology.

If, as the minister says, the government has representation on the management committee which signed that agreement, I can only suggest that their impact on that important decision was ludicrously feeble, or that the government has given them inadequate direction or, worse, that the government does not really care about the environment when it interferes with making money on that project, at the expense of the health of the community.

Another possible explanation is that the leadership in the Department of the Environment has been confused or feeble in its ability to get its interests across to a Cabinet that is now hot in pursuit of energy and profit from the Syncrude project. Certainly confusion characterizes the answers we have received in this House about SO2 emissions and the role Environment Canada had and should play in guaranteeing clean air and good health to the people of Saskatchewan and Alberta, who are now living under the threat of ecological disaster.

In answer to a series of questions I put to the then minister of the environment regarding national emission standards, the minister said that such standards were provincial matters. Later she said that any activity within Syncrude fell within standards established by the Department of the Environment.

The key question is, why have there been no emission standards taken or adopted as if there had been no environmental standards declared under the Clean Air Act? After the minister left her portfolio, and we now have a vacant portfolio, a declaration was made. It appeared in today's paper and has regard to asbestos fibre standards finally coming into force under the Clean Air Act. Yet significantly nothing has been done with regard to SO2 emissions from the tar sands project.

Why is it that the government continues to drag its feet? In this case of the tar sands it must be a matter of justice not only being done but appearing to be done, and that conflict of interest we have charged the government with is now demonstrated by inactivity in terms of enforcing ecological standards in respect of the tar sands. Again the management committee, with federal representation, has agreed to standards which the Department of the Environment rejected a long time ago. This is a clear erosion of the kind of environmental standards to which Canadian people are entitled.

There is in the long term, and I think Mr. Maurice Strong said it recently, in times of economic uncertainty or economic recession, a tendency for the environment to be the first thing to go. The government has demonstrated a lack of leadership and a feebleness toward that subject which the people in the tar sands area, and indeed the people of Canada in general, are going to remember long unless significant change takes place very quickly.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to be able to respond to my hon. friend this evening on behalf of the Acting Minister of the Environment (Mr. LeBlanc), and the parliamentary secretary. The former minister's statement in the House in response to questions by the hon. member for Oshawa-Whitby (Mr. Broadbent) and the hon. member for New Westminster (Mr. Leggatt), clearly indicated the approach we have taken with regard to this project.

● (2220)

The government of Alberta, which has the primary responsibility for the control of air emissions from the Syncrude plant, has worked and continues to work in close co-operation with the department in ensuring an adequate and realistic assessment of the potential environmental impact of the project and the best means of effecting the controls found to be necessary.

The former minister tabled in the House in November, 1974, the department's review of the environmental assessment prepared by Syncrude for the Alberta Ministry of the Environment. I should note that the government of Alberta requested our review of the report, and this was in keeping with the spirit of co-operation that exists between the two governments in environmental matters. Both governments, not surprisingly, found the report deficient in a number of areas. A project of this magnitude using new processes has potential effects on all facets of the environment, and the preparation of an environmental assessment that will satisfy all questions posed by the scientific and technical community and the public is probably an unreachable goal, but is a goal that we will continue to strive for.

The department now has in operation an environmental assessment and review process to deal with major projects such as this involving government financing. The process is designed to avoid duplication of effort by utilizing assessments that may have been initiated by provincial governments, as is the case with Syncrude, where federal financial involvement was announced earlier this year.

We have taken steps to plug the gaps in scientific knowledge revealed by our review, with regard to the potential impact on the environment in the tar sands area. The $40 million joint program with the government of Alberta referred to earlier in the House is largely devoted to this task. However, by their very nature, such scientific studies require time. Even with such research completed, when one considers the complexities of ecological systems, we will still have uncertainties. It is because of such uncertainties that the policy of the department is to promote the prudent approach of containment at source, utilizing best practicable technology.

Our review of the environmental assessment prepared by Syncrude lead to the conclusion that practicable technology was available that could reduce emission of SO_2 substantially below that authorized by the Alberta government in July of 1973. The technical review by the department in 1974 was based upon limited technical information available at that time. Since that time, meetings with both Syncrude and the Alberta Department of the Environment have continued in order to exchange technical data which will allow for more precise technical assessments and the reconciliation of differing viewpoints as to the practicality of control methods. We fully expect that substantial reductions in sulphur dioxide emissions will result.

While direct discussions have continued between the department, the Alberta Department of the Environment, and Syncrude in order to assess the control approaches necessary, the department has also drawn to the attention of Energy, Mines and Resources, the lead federal agency in this project, the need to ensure that environmental safeguards are given appropriate consideration by the management committee in line with federal policies in regard to pollution control.

[Mr. Goodale.]

TRANSPORT—ARRANGEMENTS FOR SHIPPING WHEAT THROUGH PORT OF CHURCHILL

Mr. Cecil Smith (Churchill): Mr. Speaker, tonight I should like once again to raise the issue of the port of Churchill in terms of its potential capacity for grain shipment. I do not like to sound repetitive, but I feel it is necessary for me to speak on this topic again especially in light of the fact that those responsible on the government side have paid seemingly little attention to the half dozen other speeches I have made in this House concerning the port of Churchill.

It is indeed unfortunate that I must stand up time and time again to try to sell such a unique northern facility like Churchill, not only as a member of parliament for the Churchill constituency but foremost as a concerned citizen of northern Manitoba. I shall continue to haunt those sitting across from me so that in time they may see the light and buy the idea of a northern port being used to capacity.

When dealing with this great mid-Canada inland seaport, it is not difficult to see that Churchill has many positive aspects, due mainly to its geographical location, that make this port most conducive to the shipment of large quantities of grain. Churchill itself boasts a railhead, an airport suitable for jet service and, of course, the deep water port, well protected with direct access to the sea.

These are important characteristics which the government seems to ignore. The port of Churchill, for those who are not familiar with its climate, location, and facilities, provides Manitoba with a unique distinction among the prairie provinces because of its access to the sea. There are 3,065 feet of wharf, with five deep sea berths and one coastal berth. The climate is in itself a major factor which makes Churchill an ideal grain port. The present shipping season usually starts around July 20 and lasts for the duration of the summer months until October 20, and the winter throughout the rest of the year provides superlative storage conditions because of low temperatures and humidity.

As I have said on previous occasions, farmers from Saskatchewan, Manitoba, and Alberta benefit from the port because it provides ready access to European markets. Figures from the Canadian Grains Industry "Statistics Handbook '75" indicate the cost savings of shipping grain through the port of Churchill as opposed to other Canadian ports are indeed significant. To show just exactly how prairie farmers would benefit by moving grain through Churchill, I have the following examples.

To ship grain from Scott, Saskatchewan, to Rotterdam via Churchill rather than east coast ports, a saving of 32 cents per bushel would be realized. From Scott through Churchill as opposed to shipping through St. Lawrence ports would mean a saving of 18 cents a bushel. Churchill instead of Pacific coast ports would mean a 15 cent per bushel saving to the exporter.

You can see my point, the statistics speak for themselves. Besides its accessibility to European markets, Churchill has definite locational advantages with regard to Arctic supply and also the supply of possible pipeline materials and distribution. Churchill has been called "The Gateway to the Central Arctic".

Then there is the railway that links Churchill with its southern neighbours. Most of the railway that runs from the Pas to Churchill has been upgraded during the past few years to the point where it is now capable of handling light aluminum hopper cars which exist for transporting grain. CNR officials have informed me that at present their facilities are capable of handling between 30 and 40 million bushels of grain without difficulties. I feel that the Wheat Board should be forced to make maximum use of this line, and I would go as far as to say the CPR should be allowed running rights by CNR.

At present the facilities at Churchill can handle 5 million bushels of storage. Although the port has the capability of handling upward of 40 million bushels in a shipping season, only about 22 million bushels are actually exported. If the facilities were upgraded and expanded it would not be an exaggeration to say that up to 14 million bushels of grain could be handled each month during the three month season.

There are many other pertinent reasons that come to mind when I think of why the port facilities should be upgraded. From the perspective of the prairie grain farmer a great deal of money could be saved if the bulk of his grain could be shipped through Churchill. There is also the point of reducing overhead costs. By shipping 40 million bushels—remember that is double the current quantity that is moved through the port—the overhead costs could reciprocally be reduced. There is also the question of simple economics that further strengthens my conviction that Churchill should and could be used to peak capacity.

The port is the only bright prospect for the community of Churchill. In fact the port is an important part of the economy of the entire north. The federal government has invested a lot of money in Churchill to revitalize the community. What is needed, though, is an economic base to support the existing facilities, and additional funds to upgrade these facilities further.

The advantages of shipping grain through Churchill are easy enough to comprehend. Why then has the federal government not accepted the fact that there are these advantages? The people of central Canada cannot seem to get the government to understand, although we have been trying for long enough, but we cannot get the government to realize that we have a sea port in central Canada that has not been utilized to its full capabilities.

● (2230)

The estimates for the past year indicated that $12.5 million will be spent on the port of Churchill during the next four years. This amount will cover little more than maintenance. It is because of a lack of funds that port authorities cannot keep the port in operating condition. It is unfortunate that the government did not stick to its election promise.

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Smith (Churchill): Could I not finish, Mr. Speaker?

The Acting Speaker (Mr. Turner (London East)): It has expired.

Mr. McKinley: One minute only.

Mr. Smith (Churchill): Thank you. Now that I have touched upon the reasons why the port of Churchill could become a more highly utilized terminal in terms of its capacity for grain movement, I feel I should make a few suggestions as to how the port could reach that state. At the port of Churchill the arrival and departure of ships should be better co-ordinated. At the present time the government does not see fit to co-ordinate the arrival of ships at the proper time. I feel that perhaps the government should be offering an incentive for grain handling ships to come into the port of Churchill, thus speeding up the movement of grain out of that port.

In closing I should like to say that I, for one, am convinced that Churchill could move double the amount of grain which is currently handled. For example, the shipping season this year opened July 23, but the first grain ship did not arrive in the port until August 18. The harbour board was still able to ship 22 million bushels of grain from August 18 to October 18. This proves beyond any doubt that Churchill could easily handle 40 million bushels of grain.

Henry Hudson discovered the bay which was named after him in 1610, and the site of Churchill was inhabited some 19 years later. One wonders—

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member's time has expired.

Mr. Smith (Churchill): I just have two words, Mr. Speaker.

The Acting Speaker (Mr. Turner (London East)): I am sorry.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I must say that I very much enjoyed the contribution of my hon. friend this evening with respect to the port of Churchill. I, and many others on this side of the House, have had the opportunity of hearing him speak on this subject on previous occasions in the House, and I can assure him that his representations do not go unnoticed.

As the Minister of Transport (Mr. Lang) informed the House on December 12, it is always the object of the Canadian Wheat Board to ship as much grain as possible through Churchill. In the 1975 shipping season, as my hon. friend just mentioned, 22,710,000 bushels of grain, all of which was barley, was shipped from Churchill. Unfortunately, in both of the last two years shipments from Churchill have begun rather late in what is a short season. In 1974 the first vessel did not arrive until August 11, and this year it was August 15.

While every effort is made by the Canadian Wheat Board to increase the level of shipments from Churchill, it must be recognized that the board as seller cannot dictate to buyers the type of grain they are to buy nor the port from which delivery is to be made. Buyers purchase grain out of Churchill only to the extent that it is economical for them to do so, taking into account the cost of financing their inventories, ocean freight, and the cost of marine insurance.

Churchill is ideally located to service western European markets, the U.S.S.R. and eastern Europe. However, shipments out of Churchill during August, September and October arrive at destinations during or just after Europe has harvested its own crop. The storage facilities of these buyers are full or nearly full at that time, and there are extra costs to them in financing stocks which are not required for consumption for several months. As a result, these buyers have some difficulty in utilizing Churchill as fully as we would wish.

The trend toward increasingly large vessels in the grain trade is another factor which affects the level of shipments from Churchill. On the other hand, there are definite advantages to the Churchill route, including the shorter rail haul, and others my hon. friend mentioned this evening. The Canadian Wheat Board is fully aware of these advantages and is continuing, and will continue to move as much grain for shipment from Churchill as possible.

ENVIRONMENTAL AFFAIRS—REQUEST FOR FUNDS FOR FRASER VALLEY FLOOD CONTROL PROGRAM

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, on Thursday, December 4, I pointed out to the President of the Treasury Board (Mr. Chrétien) that the Fraser Valley was experiencing serious flooding, and areas were still in imminent danger.

Officials of the Department of the Environment have already informed me that inflation had completely eaten up the entire budget of the Fraser River Flood Control Program and that completion target dates had been put back to 1979-80. They mentioned also that the department had gone to the Treasury Board requesting further funding for this very important project. My question, therefore, to the President of the Treasury Board was as follows:

> Will the minister give this high priority in view of the fact that a dike broke yesterday in the eastern part of Surrey and the South Westminster district is facing imminent flooding?

The answer was not only inadequate, in part it was also condescending and gratuitous. I am thankful he did allow that:

> . . . when we are dealing with emergencies like that one, we take the necessary steps if we have to pay for our share of responsibilities.

That in itself is acceptable and encouraging. But then the minister went on to say:

> I hope the hon. member will inform the leader of his party that he is pressing us to spend more money.

You bet I am! I make no apologies for that. When the needs that I have brought to the minister's attention cry for solution I will continue to press for funding.

[Mr. Goodale.]

The minister's answer brings into sharp focus the whole problem of the government's distorted priorities. I am talking about a community of 600 to 1,000 people who have endured a building freeze since 1968 because of poor drainage and sewage facilities. These people cannot get building permits to upgrade their homes because one or other of the levels of government has decided that money spent on proper drainage is not a good investment at this time. Meanwhile we get the latest model cash registers in the dining facilities here on Parliament Hill, and we get a $36,000 carpet to cover the marble floor in the parliamentary dining room.

I am talking about a community where the water table rises and falls with the tide but the flood boxes and the pumps are not working properly. Meanwhile, not too many miles away, the CBC is planning to erect a French T.V. station. I am sure, Mr. Speaker, that the people in Bridgeview would gladly sacrifice that TV station if only they could get proper drainage.

I am speaking of a community where the ditches are up to five or six feet deep, they are open, and they have algae in them. They are increasingly filled with water because the higher ground to the south of Bridgeview has been subdivided, and now all that run-off is bestowed on the people of Bridgeview. These ditches surround the community playground, are adjacent to the school and community centre, and parallel all the streets on which the children walk to school. There does not seem to be enough money to drain these ditches, but there is plenty to pay for the thousands of square feet of unused government leased office space across Canada.

I am speaking of a community that really does have a community spirit—where neighbours talk to each other and help each other out—where the community hall is a busy place both for social events, recreation, and business meetings. These people have an esprit de corps and sense of kinship as few communities have today. In a day when most people are so busy they have isolated themselves from each other, we find a community where people stick together. Adversity, I suppose, has done this for them.

The joint federal-provincial program to provide dikes and drainage for areas like this is already far behind where it ought to be. The provincial government has asked the municipality of Surrey to buy up the right of way to build and improve dikes. The municipality has kept its part of the bargain and proceeded to do this. Now they are told that funding has been cut, partly due to lack of federal funds. And now the minister says, "You are asking me to spend more money." I most certainly am. But I am asking for more than that.

I am asking for a re-ordering of priorities. I am asking the President of the Treasury Board to remember that we are not talking about asking people to wait for luxuries. We are talking about people and very fundamental needs that they have—needs like safety from flooding or drowning, needs like hygiene, needs like the opportunity to build up their community so they can be proud of it. I repeat, Mr. Speaker, the municipality of Surrey is doing its part, the people are doing their part, and now they are waiting for the federal government to do its part.

● (2240)

In closing, as we are to hear from the all-purpose parliamentary secretary who tonight is covering for three different ministers, I suppose we could exchange him for a cassette tape recorder.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, my response this evening would have been somewhat more jovial if my hon. friend had refrained from making his last comment. Once again this evening I am responding on behalf of the Acting Minister of the Environment (Mr. LeBlanc).

The Fraser River Flood Control Agreement was signed on May 24, 1968, and at that time the estimated cost of the total program was $40 million and the cost to the federal government was $18 million. In 1974 the federal cabinet approved an increase in the federal contribution to $30.5 million, thereby almost doubling the available funding to this program.

Construction costs have increased rapidly in the lower British Columbia mainland area and this, along with demands from local authorities for improvements to drainage systems, has resulted in a further increase in the amount of money required to complete the work. Additional time will be needed as well, since the original agreement was to terminate on May 24, 1978.

As the former minister of the environment has already informed the House, Environment Canada has made a submission to Treasury Board for funds to cover federal-provincial cost-shared agreements on water programs. The department is working on a specific submission for funding of the Fraser River diking project, consistent with approvals on this over-all program.

With probable financial constraints it will not be possible to provide complete protection to all parts of the valley, nor to correct inherent drainage problems in sparsely settled areas. Highest priority is being given to diking for the purpose of reducing possible loss of life and property damage. Environmental factors are also important, and conservation of areas important to wild life and fisheries and fish habitat must take precedence in some areas in determining dike locations.

Contributions to the Fraser project represent a large part of our total flood damage reduction program and are indicative of the high priority the federal government places on flood protection in the lower Fraser River Valley. It should interest the House to know that, with the works now currently under way and those already completed, a high level of flood protection is being provided to approximately 80 per cent of the residents of the lower Fraser who are subject to flood damage.

Provided that additional funds are made available, it will be possible to continue this work to reduce even further the flood damage potential of the Fraser River.

Environment Canada, at the same time, is also actively pursuing its flood damage reduction program jointly with provinces by providing flood risk mapping in the major population centres affected by flooding across the country. The department is also actively engaged in flood prevention works in Ontario, Saskatchewan, as well as British Columbia, and in planning studies which will lead to reduction in flood damage in Quebec and New Brunswick.

Motion agreed to and the House adjourned at 10.45 p.m.

HOUSE OF COMMONS

Wednesday, December 17, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AIR CANADA

REQUEST FOR REPORT ON CIRCUMVENTING OF UNION IN BARGAINING WITH FINANCE BRANCH EMPLOYEES—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43, as a result of reliable reports of continuing and rather extraordinary ineptitude in labour relations on the part of officials acting on behalf of our country's national airline which resulted in a strong protest in the form of a telegram being forwarded on behalf of CALEA to the Minister of Transport (Mr. Lang), Mr. Joe Morris of the CLC and assorted members of parliament. I move, therefore, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Minister of Transport investigate immediately the role of Mr. Dale Atkinson, General Manager of finance, Air Canada, who, according to the President of the Canadian Airline Employees Association, took it upon himself to circumvent the union's negotiating committee when he initiated direct bargaining with the Air Canada finance branch employees in Winnipeg for whom the union is certified as the sole bargaining agent and that the minister report his findings to this House, since this type of action may be contrary to the Canada Labour Code.

Mr. Speaker: The motion cannot be debated without the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

REQUEST THAT COMPANY RESPECT PRINCIPLES OF COLLECTIVE BARGAINING WHEN DEALING WITH FINANCE BRANCH EMPLOYEES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I, too, rise under the provisions of Standing Order 43. The matter of urgency, as has already been indicated, is the action of the general manager of the finance branch of Air Canada in circumventing the certified union of the employees of that branch. I move, therefore, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House urges the Minister of Transport to call upon the general manager of Air Canada's finance branch to respect the principles of collective bargaining by dealing with the employees of the branch through their certified bargaining agent, the Canadian Airline Employees Association, so that negotiations may be conducted in accordance with appropriate employer-employee relations.

Mr. Speaker: This motion cannot be presented without the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

PUBLIC SERVICE

SUGGESTED STUDY OF LACK OF RECOGNITION OF BILINGUAL EMPLOYEES—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the considerable reaction among federal civil servants in Quebec as a result of the government delay in adopting a specific policy on a fair indemnity for bilingualism, considering the undertaking of the government in August last to abide by the date of December 31, 1975, that is in a few days, as the limit for the application of the bilingualism bonus, I move, seconded by the hon. member for Témiscamingue (Mr. Caouette):

That this House consider immediately the problem concerning the effective non-acknowledgement of bilingualism among civil servants and that it indicate to the government the policy to be followed for the application and granting of bilingualism bonuses.

● (1410)

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

SUGGESTION MR. MARCHAND FURNISH EVIDENCE FORCE LEAKED INFORMATION ON VISIT TO OFFICE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity arising from the statements made yesterday by the minister without portfolio that he still was not convinced that the RCMP had not

leaked information to the news media about their intention to visit him and if they wanted to go fishing in his office they would have to use their guns. I would move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the House requests the Minister without Portfolio to either furnish evidence that the RCMP was indeed responsible for the leak in question to the news media or that he withdraw his additional accusation of yesterday and, finally, that the minister's further statement that he will contest any search warrant obtained by the RCMP and that in effect he will permit them to only make a limited form of examination of his office files, raises the perhaps totally unjustified implication that the minister has something to hide and therefore the House requests an immediate statement from the minister clarifying this situation.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

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FOOD PRICES

PROPOSED IMPLEMENTATION OF RECOMMENDATIONS OF COMMITTEE ON TRENDS IN FOOD PRICES—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to seek the unanimous consent of the House under Standing Order 43 for a motion of urgent and pressing necessity. My motion is based on the statements made yesterday by the Canadian Federation of Agriculture, the President of Dominion Stores and the Deputy Minister of Agriculture referring to the need for a national food policy in this country because of indications that food prices will continue to rise notwithstanding the fact that prices to primary producers and farmers are declining. In view of the fact that the Special Committee on Trends in Food Prices in its final report concurred in by this House on January 11, 1974 recommended that the government give consideration to the advisability of establishing a comprehensive and realistic long-term food policy for Canada and that further the Food Prices Review Board in its report of June 1975 recommended such a policy, I move, seconded by the hon. member for Simcoe North (Mr. Rynard):

That this House direct the government to take immediate steps to implement the recommendations of the Special Committee on Trends in Food Prices as concurred in by the House on January 11, 1974.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No.

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EXTERNAL AFFAIRS

SUGGESTED PROTEST TO UNITED STATES AGAINST BUILDING OF SUBMARINE AND MISSILE BASE AT BANGOR, WASHINGTON—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the announcement of construction recently of the Trident Nuclear submarine and missile base in Bangor, Washington, some 60 miles from the city of Victoria and the lower mainland of British Columbia, without consultation with the Canadian authorities, and in view of the recent declaration by the city of Vancouver of Trident concern week, I would move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House direct the Secretary of State for External Affairs to make immediate representation to his United States counterpart and the President of the United States protesting this unnecessary escalation of the arms race and protesting increased risk inherent in this construction to Canadians in British Columbia.

Mr. Speaker: Order, please. The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REASON FOR DELAY IN PUBLICATION OF REGULATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. Why have the regulations under the government's so-called anti-inflation act not been tabled in the House, why are they not before the House, and why are they being held up until tomorrow in view of the fact the legislation was passed last week by both Houses and apparently the government has had time to prepare the regulations in pamphlet form so that they could fall into the hands of a journalist in Toronto? Why are these being delayed particularly in view of the obvious desire of the citizens to have the information in these regulations.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it is so obviously in the public interest that we felt the regulations once promulgated should be printed and made available in sufficient quantities right across the country so that the people could have immediate access to them. Hence, while the regulations have been prepared, we are now taking steps to put them into place across the country so that after they are tabled in the House tomorrow they can be made available to the general public.

With regard to the journalist in Toronto, I do not know the specific basis for the reference, but my only comment is, if the hon. gentleman is referring to the CBC report this morning, it strikes me that the CBC may have read the white paper for the first time.

Some hon. Members: Hear, hear!

Mr. Baldwin: How about you reading it for a change?

ANTI-INFLATION PROGRAM—AVAILABILITY OF REGULATIONS TO PROVINCES—POSSIBILITY OF FURTHER MEETINGS WITH PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): I am sure the minister will be disappointed to know that he has not satisfied me as to why there is all this delay. I should like to ask him whether the regulations have been made available to the provinces which are, of coure, slightly concerned with this whole operation and have indicated they would not make any definite commitment with regard to the program until they have seen the regulations. Have the regulations been made available to the provinces and when?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would have concluded that the members of this House would have felt that the regulations made under a federal law should first be made available to the House and to parliament before they are made available outside.

An hon. Member: You are finally getting the point.

Mr. Stanfield: I wonder how many times the Minister of Finance will keep going around that barrel before he stops.

Some hon. Members: Hear, hear!

Mr. Stanfield: He is keeping the information away from the public and using that as an excuse for keeping it away from the provinces. Some of us have some interest in seeing this program succeed despite all the bungling that is taking place.

Some hon. Members: Hear, hear!

Mr. Stanfield: I should like to ask the minister whether he has made arrangements for the Ministers of Finance or whether the Prime Minister has made arrangements for the premiers—once the minister is gracious enough to make the regulations available to the provinces—to have a further meeting so that the people in Canada could know whether the provinces are in on this plan, whether they are part of this plan, and, if so, to what extent.

Mr. Macdonald (Rosedale): I am delighted to learn from the hon. gentleman that he is indeed in support of the program. We have had discussions at the official level about further meetings of officials on the regulations. Obviously, they will be made available to the provincial governments and we will be following up with them appropriate means of bringing to finality their participation in the program.

ANTI-INFLATION PROGRAM—CONSENSUS OF PROVINCES ON DURATION OF PROGRAM AND UNIFORMITY OF REGULATIONS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, concerning discussions with provincial officials, can the minister advise the House specifically whether there has been a consensus or an agreement with the provinces in respect of, first, the duration of the program, and second, the uniformity of regulations across the country so that at least, if the federal people are unable to do so, the provinces will come up with some consistency and evenness in respect of the administration?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to refer the hon. gentleman to previous responses in this regard. The different provinces have taken different viewpoints, so there is obviously no consensus upon this point. We hope that with the promulgation and publication of the regulations provincial governments will be able to make a final judgment as to what their position is. Obviously, our advocacy would be to have their full support for the program we have laid before the country and parliament, the kind of support that they promised at the premier's meeting in Saint John earlier this year.

Mr. Lawrence: Presumably the minister and the government have received no assurance that there will even be a uniformity of regulations across the country. Can the minister tell us whether he has obtained the assurance of at least a uniform level of participation by the provinces?

Mr. Macdonald (Rosedale): The hon. gentleman is raising questions to which I have responded on a number of occasions referring to the different participation by, for example, Quebec and Ontario and the position taken by the government of Alberta. I think probably in the interest of saving time in the question period I should only refer the hon. gentleman to *Hansard* and the answers I have given.

● (1420)

ANTI-INFLATION PROGRAM—SUGGESTION THAT PROVISION FOR EQUALITY OF SEXES WITH REGARD TO INCOME BE MADE MANDATORY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance with regard to the fact that women in Canada earn on the average 60 per cent of the amount earned by employed males. Last March, in response to a question on this matter, it was suggested by the Minister of Labour that largely this fell within provincial jurisdiction. Since the anti-inflation legislation now clearly involves the federal government with regard to wage and salary matters at all levels, will the government be insisting that the provision in the white paper for an exemption from the general guidelines to ensure the achievement of equality of the sexes with regard to income, be made mandatory instead of optional?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, within our jurisdiction we certainly would do so, and indeed, the other measures which are now before parliament with regard to equality of treatment within the work force will have this effect within the federal jurisdiction. We will, of course, advocate the same course of action to the provinces within their areas of jurisdiction.

Mr. Broadbent: With respect, and I do not say this critically, I think the minister missed part of the question. Considering that the white paper uses the word "may" with regard to the exemption for women, will the government either clarify or, if required, change its policy, and instead of making that an optional choice for exemption, make it mandatory so that women in Canada who do the same job as men will be paid at the same rate?

Mr. Macdonald (Rosedale): That is the intention of Bill C-72, which is now before parliament, not just within the

context of the prices and incomes program, but indeed continuing for all time in Canada. As we have said with regard to other aspects of the program, this is to make certain that there is no restraint upon women under the program with regard to increases to bring them on to a basis of equality. As I have said, Bill C-72, which is on the order paper, introduces the tense of the verb the hon. gentleman referred to: that this shall happen within federal jurisdiction.

* * *

SOCIAL SERVICES

FEDERAL CONTRIBUTION TO COST OF DAY CARE CENTRES

Mr. Edward Broadbent (Oshawa-Whitby): My supplementary question is to the Minister of National Health and Welfare, if I can get his attention. He is the minister responsible for women in this particularly important year. Does the government at long last plan to implement the recommendation of the Royal Commission on the Status of Women that the federal government contribute on a cost sharing basis with the provinces in the capital costs for the establishment of day care facilities and not simply contribute to maintenance costs once they are established?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am very happy the hon. member raised the question. I will send him a copy of the guidelines which were published last year which indicate quite clearly the federal government's sharing in the cost of the rent of the day care centres, and second, in the cost of the depreciation on the capital cost of the day care centres. This shows that the federal government is sharing in the cost of day care services more generously than in any other social service in which it shares. I think this shows the determination of this government to bring its attention to problems regarding women in this country.

Some hon. Members: Hear, hear!

* * *

[Translation]

ANTI-INFLATION BOARD

SUGGESTION BOARD INVESTIGATE ALL PROVINCIAL AND MUNICIPAL TAX INCREASES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Minister of Finance.

Considering that the Anti-Inflation Board has the power to control prices and wages and to review them at any time, does it also have any power to control provincial taxes, taxation rates, and municipal levies? For instance, Hull has announced a rate increase of 28 per cent; Mr. Bourassa also announced higher provincial taxes for next spring. Will these levels of government be subjected to laws or to the Anti-Inflation Board review?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, following provincial conferences on this program, the provinces have emphasized that their right to taxation be kept outside the control of the Anti-Inflation Board.

[Mr. Macdonald (Rosedale).]

[English]

TRANSPORT

POSSIBLE REDUCTION IN RAIL PASSENGER SERVICE—PROPOSED CONSULTATION WITH RAILWAY OFFICIALS AND TRANSPORT COMMISSION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Transport and ask if the government is planning a reduction of rail passenger service in its new policy to be announced early in 1976?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, when the policy is announced it will indicate the variety of plans. Needless to say in the rationalization there will be changes in service and in certain areas there may well be a reduction. There is also an important aspect and that is that where service is provided it should be provided efficiently.

Mr. Murta: A supplementary question. Can the minister assure the House that officials of both national railways as well as those of the CTC are being and will be consulted on any proposed changes in rail passenger service that are under consideration by the government?

Mr. Lang: Yes, Mr. Speaker, and the CTC will play a very important role as well.

Mr. Murta: A final supplementary question. In view of what the minister said, and since there is still apprehension in western Canada regarding the proposed policy, can the minister now assure the House that service in that part of the country will not be reduced to one transcontinental line going west from Montreal and Toronto through Winnipeg to Vancouver?

Mr. Lang: Mr. Speaker, I do not think I should try to forecast that part of the policy or the implications of it. As I said earlier, it is very important to consider the cost of the service now being provided and the implications for people travelling on services that are heavily subsidized and the availability of alternative services which may be cheaper without a cost to taxpayers. All of those things will be put together in determining the extent of the service offered in any particular area and that will be developed progressively with a role being played by the CTC.

* * *

HEALTH

STUDY OF ORTHO-MOLECULAR PSYCHIATRY—REQUEST FOR REPORT

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Minister of National Health and Welfare. About a year ago we asked a question about orthomolecular psychiatry and he told us an evaluation was being undertaken. I wonder if the minister could tell us if that evaluation of megavitamin therapy has been completed for cases of schizophrenia in Canada, and if it is used as a drug in this country?

Hon. Marc Lalonde (Minister of National Health and Welfare): That investigation has not been completed, Mr. Speaker.

Mr. Malone: A supplementary question. May I ask the minister at what stage the evaluation is, and when we might expect it will be completed so that physicians across Canada may know whether they can use megavitamin therapy?

Mr. Lalonde: Mr. Speaker, I cannot give a firm date to the hon. member but I can tell him that the health protection branch of my department has not yet received sufficient evidence from properly constituted and controlled clinical investigations which would substantiate any conclusions for the efficacy of high doses of vitamins in the treatment of psychiatric conditions or the common cold.

* * *

HUMAN RIGHTS

REASON FOR DELAY IN PROCEEDING WITH SECOND READING OF BILL—POSSIBLE INCLUSION OF PROVISION COVERING HATE MESSAGES BY TELEPHONE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Justice. Now that Bill C-72 has been mentioned by the Minister of Finance in dealing with the federal human rights legislation and seeing that the minister has now met with his provincial counterparts regarding this very important matter, can he give us any reasons why he cannot proceed with the early introduction of this bill for second reading after the Christmas recess?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, we had a very useful meeting, and as a result of that discussion, I shall be making some recommendations to my colleagues in cabinet with regard to the bill. I would hope it could be proceeded with in the session following Christmas.

Mr. Alexander: A supplementary question, Mr. Speaker. Another matter of some sensitivity involves Bell Canada and hate messages. Has the minister directed his attention to this particular matter and was it discussed with his provincial counterpart? Is he going to move in this particular area to outlaw these messages and will there be room for censorship by Bell Canada? Is this the type of thing he is recommending to his colleagues to be brought within the human rights legislation or will there be separate legislation?

Mr. Basford: Mr. Speaker, it was raised by the delegation from Ontario and I have also had correspondence and discussion on the subject with my counterpart, Mr. McMurtry. I am not proposing that we should introduce in that bill, or any other, some form of censorship, but I am conscious of the problem and issue raised by the government of Ontario and have undertaken to examine both their specific proposal and other proposals, to see if the problem can be dealt with either under the Human Rights Act or some other appropriate piece of legislation. That is one matter on which I am reflecting following our meetings and on which I hope to make recommendations to my colleagues before the bill comes back to the House.

* * *

● (1430)

INQUIRY OF THE MINISTRY

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is directed to the Prime Minister. As, later this week, important government announcements will be made covering spending cuts in the order of $1.5 billion; as, on October 9, the Prime Minister, answering a question put by the hon. member for Calgary North, repeated that it is the intention of the government to keep its election promises during the course of this parliament, will the Prime Minister say, in view of his complete about face on wage and price controls, if he will now make a similar about face with respect to the $3 billion worth of election promises he made in his desperate bid for re-election just one year ago?

Mr. Speaker: Order, please. The hon. member for Brome-Missisquoi.

* * *

AIR CANADA

REQUEST FOR INVESTIGATION OF BAGGAGE HANDLING METHODS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question directed to the Minister of Transport is put on behalf of the thousands of beleaguered passengers who now travel on that once great airline, Air Canada.

Some hon. Members: Oh, oh!

Mr. Grafftey: In so far as Air Canada has managed to lose my bags on six occasions—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Grafftey: Mr. Speaker, again, I ask this question on behalf of thousands of beleaguered passengers. Since my own bags have been lost on six occasions—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure the hon. member for Brome-Missisquoi would contribute to order if he would put his question.

Mr. Grafftey: Mr. Speaker, would the minister investigate the baggage handling procedures of Air Canada? I largely suspect that the problem takes place in the now famous terminals in Toronto. In my case this has happened six times since I embarked on a certain campaign.

Some hon. Members: Oh, oh!

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I regret to see the hon. member reach for the support of those members of his party who go on attacking Air Canada and try to follow that course of action.

Some hon. Members: Oh, oh!

Mr. Lang: Air Canada is a great airline, the great Canadian airline, and will continue to remain so. Would the hon. member inform me if the suitcases he lost are wee, little suitcases—

Some hon. Members: Hear, hear!

Mr. Lang: —or medium sized suitcases? I assure the hon. member that Air Canada is much concerned about lost luggage, has been watching the figures and improving them regularly. I have been much impressed with the improvement in the figures—

Mr. Crouse: But you don't go by Air Canada. You use the Jetstar.

Mr. Lang: In one sense, considering the few bags now being lost, I am glad that so much of the loss is concentrated with the hon. member.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—PROPOSAL TO TRANSFER UNUSED FUNDS TO PROJECTS IN AREAS OF NEED

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I want to direct a question to the Minister of Manpower and Immigration and I would like to come back to the question asked yesterday of the President of the Treasury Board (Mr. Chrétien) by the hon. member for Vancouver-Kingsway (Mrs. Holt) concerning the LIP program.

Would the Minister of Manpower and Immigration agree, against the recommendation of the hon. member for Vancouver-Kingsway, to transfer the remaining LIP funds in the prosperous, rich and affluent constituencies of the west coast to the constituencies of the Atlantic region, which have a very high unemployment rate this winter and where Canadians want to work if they are given the opportunity?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the funds allocated to this excellent program are, on occasions, not absorbed by individual constituencies. According to standard procedure, each year they are re-allocated in the final stages, to those constituencies with high rates of unemployment which are not concentrated, of course, in the east but are found throughout the country.

[Mr. Grafftey.]

LABOUR CONDITIONS

STRIKE OF PULP AND PAPER WORKERS—REQUEST FOR REPORT ON NEGOTIATIONS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in the absence of the Minister of Labour, may I direct my question to the Acting Minister of Labour. In view of the confusion surrounding the applicability of federal anti-inflationary guidelines to labour agreements under provincial jurisdiction and in view of the manifestly national impact and importance of the ongoing strike in the pulp and paper industry, would the minister inform the House of any new developments in his attempts to co-ordinate a just and equitable resolution of the strike in this sector?

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Minister of Labour): Mr. Speaker, since the minister is absent, I take the excellent question of the hon. member as notice and I can assure him that we shall give him an answer as soon as possible.

* * *

[*English*]

GOVERNMENT ADMINISTRATION

REASON FOR RENTING STORE FOR OFFICE SUPPLIES IN GALLERIE DES BOUTIQUES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the President of the Treasury Board. Now that the government is asking Canadians to show restraint in order to restore the health of the economy, is the minister aware that the Department of Supply and Services is renting a store in the Gallerie des Boutiques, one of the most expensive and exclusive shopping malls in Ottawa, and employing two clerks to man the store which carries office supplies and has a large sign saying that the goods in the store are not for sale to the general public but will be sold only to government departments? If so, does the minister feel that the spending of government funds on the renting of a store in this expensive shopping centre, and staffing it with two clerks, is a good example to set when the government is asking the working people of Canada to show restraint?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I take good note of the representations of the hon. member, and I shall make an inquiry on that matter. If something irregular is found out, the situation will be corrected.

* * *

[*English*]

HEALTH

LASSA FEVER—POSSIBILITY OF INTERFERENCE WITH REGULATIONS BY WORLD HEALTH ORGANIZATION—EFFECTIVENESS OF QUARANTINE MEASURES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is directed to the Minister of National Health and Welfare, and is a further follow-up question on Lassa

fever, mentioned on page 9891 of *Hansard*. The question deals with the distinct possibilities of the fever being transmitted to Canadian Olympic personnel by athletes coming from areas where the disease is endemic. Does the minister anticipate any interference from the World Health Organization on which there are athlete representatives from affected countries? Also, will the minister's quarantine bill effectively eliminate any risk of this disease hitting Canada, with disastrous results?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as I indicated last week in the House, I intend to propose during the forthcoming session a number of changes to the Quarantine Act. Under these changes, a quarantine officer would be authorized, with the minister's approval, to detain any person who is really suffering from a contagious disease. This would include both the incubation and contagious periods. There is no such provision in the current act, and we feel that such an addition would provide quarantine officers with the necessary powers to prevent any individual suffering from a disease similar to that mentioned by the hon. member from entering Canada. As to the first part of the question concerning the World Health Organization, I do not foresee any interference from this organization in this area.

* * *

● (1440)

[*English*]

REGIONAL ECONOMIC EXPANSION

ASSISTANCE WITH HIGHWAY AND BRIDGE BUILDING PROGRAMS IN NEW BRUNSWICK—GOVERNMENT POSITION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Acting Minister of Regional Economic Expansion. Following the meeting yesterday between the minister and Premier Hatfield of New Brunswick, which resulted in seven news releases today disclosing among other things some helpful and badly needed assistance with highway construction in northeastern New Brunswick and the phaseout of New Start and Multiplex, did the minister discuss with the premier apparent differences over the highway and bridge building proposals by the province which the premier referred to in his legislature and, in particular, is the minister considering a comprehensive five-year program of assistance with highways and bridges in all parts of the province?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I will certainly draw the minister's attention to this when he returns. He can undoubtedly give a reply in detail.

ALLEGED SLOWNESS IN IMPLEMENTING POLICY IN NOVA SCOTIA

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I welcome the Minister of Industry, Trade and Commerce back to his old job. I have a supplementary question. Is the minister aware of the comments made by the Nova Scotia minister of finance about the apparent slowness of DREE policy implementation in that province, and is the minister prepared to take some new initiatives to move the program forward?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I can only respond in the same way. I will make sure this is drawn to the minister's attention.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGED RESTRICTIONS PLACED ON CO-OPERATION WITH FORCE BY MR. MARCHAND—EVIDENCE IN SUPPORT OF CHARGE OF LEAK TO PRESS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Solicitor General. Has the minister discussed with the Minister without Portfolio the restrictions which that minister is reported to have placed on his cooperation with the RCMP and does the Solicitor General consider these restrictions in keeping with the kind of cooperation the force might rightfully expect from a Privy Councillor?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I do not make public my discussions with cabinet ministers.

Some hon. Members: Oh, oh!

Mr. MacKay: Mr. Speaker, I have a brief supplementary. Since the Minister without Portfolio saw fit in an interview published today to again state his feelings with regard to an alleged press leak by the RCMP, can the Solicitor General tell us whether his colleague has turned over to him any evidence whatsoever to support those feelings? Has the situation changed from the last time?

Mr. Allmand: Mr. Speaker, I can only say that the police investigation is proceeding as scheduled.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—DATE OF APPOINTMENT OF ADMINISTRATOR

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. Now that the government seems to have got its anti-inflation program into sufficient difficulty with conflicting decisions and rather complicated regulations, does the government now intend to appoint an administrator? If so, do they have the name of the administrator and when will the appointment be made? Also, can the Prime Minister undertake that it will not be a civil servant who will be subject to possible influence by the government in light of the very difficult position the administrator will have?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I appreciate these representations. Perhaps the hon. member could give me a list of the people who he thinks

would be subject to influence and I will know who not to name.

* * *

TRADE

POSSIBILITY OF LIMITATION ON CHEESE IMPORTS—GOVERNMENT POSITION

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. It relates to Canada's import quota on cheese. In light of the indication which the Minister of Agriculture made at the Agriculture Outlook Conference yesterday that he would not allow foreign cheese imports to harm Canadian cheese production, is the Minister of Industry, Trade and Commerce in a position today or will he be in a position in the near future to make an announcement on this very important and pressing matter?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not able to give an actual date because, as the hon. member will know, the discussions are quite complex and are still going on, merely interdepartmentally but in terms of the GATT provision and related international questions. I can assure the hon. member it is being given urgent consideration at the present time. An announcement will be made as quickly as possible with regard to the quota for 1976.

Mr. Wise: Mr. Speaker, may I ask the minister whether he supports the tightening of a quota on foreign cheese imports which is apparently supported by the Minister of Agriculture?

Mr. Jamieson: Mr. Speaker, my views on the matter will become known at the time the quota is announced.

* * *

[*Translation*]

TRANSPORT

REQUEST FOR ESTABLISHMENT OF MERCHANT MARINE

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Minister of Transport.

Statistics report that nine-tenths of the young Quebecers who joined the work force last year are bound to become unemployed; one might as well say that they joined the unemployed force. Taking into account the fact the Minister of Transport has been studying, for a long time now, the possibility of creating a Canadian high seas merchant marine and the fact that said project is finally only sailing on a sea of studies, while Canadian shipowners are forced to fly foreign flags, can the minister tell the House whether that great Canadian dream is about to become reality?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the maritime code bill, which is now before a House committee, makes a first step in the direction of ensuring more use of Canadian vessels. The whole question of a Canadian merchant marine and greater use of Canadian ships and Canadian labour on those ships is the subject of an ongoing interdepartmental committee study. It will be some time before the results of that emerge in the form of policy.

* * *

POST OFFICE

RANKIN INLET—REQUEST FOR RECLASSIFICATION OF OFFICE AND IMPROVED SERVICE

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is for the Postmaster General and follows one I asked several days ago about postal service at Rankin Inlet, Northwest Territories. It has come to my attention that incoming mail is being distributed by a volunteer but this person cannot send mail out or provide any other services such as money orders, COD's and so on. In light of this information, will the minister send a postmaster to Rankin Inlet to provide adequate service to this community before the Christmas rush is over? Also, will he undertake to reclassify the Rankin Inlet post office so that adequate money will be provided to pay for the space and salaries required?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I am unavailable for the trip, but I will certainly send the unimaginative civil servant who is responsible for the foul-up to there very shortly, preferably between Christmas and New Year's.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—AVAILABILITY OF REGULATIONS TO BOARD

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask the Minister of Finance a question with regard to the regulations under the anti-inflation act. He has not given them to the House or the provinces. Has he made a copy available to the Anti-Inflation Board? If so, is this what made it necessary for the chairman to leave the country for awhile?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the regulations were of course discussed during preparation with various officials of the government, including the Anti-Inflation Board.

● (1450)

[*Translation*]

COMBINES

PROPOSED INQUIRY BY BRYCE COMMISSION INTO FORMATION OF MONOPOLIES FOR SALE OF BREWERY GRAIN

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, today I wish to put a question to the Minister of Consumer and Corporate Affairs.

Yesterday, as reported by *Hansard* at page 10,044, I put a question to his colleague, the Minister of Agriculture, concerning the skyrocketing prices of secondary cattle feed, brewery grain in particular. As these unexpected increases may be caused by the advent of monopolies in the brewery grain business, would he be willing to order the required inquiry or, if need be, to put the matter to the Bryce Commission, and make sure that a monopoly is not now in the process of being created or, if one already exists, that it be dissolved?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I must remind the hon. member that the Bryce Commission was not set up to deal with such problems. On the other hand, the director of combines investigations will certainly be advised of the comments of the hon. member. In addition, I should like to remind the hon. member that every time the director deems an investigation necessary, he orders one, but the matter is kept confidential.

* * *

POST OFFICE

INQUIRY IF DEPARTMENT WILL PURCHASE ADVERTISING IN "LE JOUR"

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to direct a question to the Postmaster General.

We saw yesterday in the Montreal daily *Le Jour* excellent publicity for and an excellent photo of the Postmaster General who was handing over a commemorative plaque to the editor for his achievement in journalism. Since the minister has also outlined Mr. Michaud's outstanding achievement in establishing and maintaining a new newspaper in North America, I would like to ask the minister whether after having himself benefitted from this publicity he intends to recommend that his department pay for publicity in this newspaper?

[*English*]

Hon. Bryce Mackasey (Postmaster General): Well, Mr. Speaker, I did participate in the awards given by the Montreal press club, and I did congratulate Mr. Michaud on his ability to create a new newspaper. I happen to believe that our system of federalism permits the ultimate freedom of speech and permits the creation of newspapers like *Le Jour*. I also made the point, however, that as a federalist I did not intend to finance the movement of the separatists through advertising by our department. If the hon. gentleman finds himself more compatible reading that newspaper than others, that is up to him. It is a very free country.

AIR TRANSPORT

ALLEGED EXCESSIVE CHARGES BY AIR CANADA AND EASTERN PROVINCIAL IN NEW BRUNSWICK—REQUEST FOR REPORT

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Minister of Transport. In view of the excessive passenger fares being charged by Eastern Provincial Airways and Air Canada compared to other airlines in New Brunswick, would the minister kindly investigate the reason for the overcharge to passengers using the airport facilities at Charlo airport in New Brunswick serving northern New Brunswick and the Gaspé coast? Would the minister also ask the Canadian Transport Commission to investigate these unfair rates charged out of Charlo, New Brunswick?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, may I thank the hon. member for bringing this problem to my attention. It does seem peculiar to see these differences in rates between the single airline total fare and the combination of two airlines, but I will be glad to investigate the matter and report again in due course.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT—APPLICATION TO PARTS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. After the minister's astute remarks in this House yesterday, I am convinced that he must be aware that the Auto Parts Manufacturers Association feels that the auto pact offers them insufficient coverage and has said that "the safeguards incorporated into the auto pact, such as Canadian value added and production to sales ratio have failed", would the minister please explain how he could say that the auto pact covers parts for all practical purposes?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not think this is the kind of answer that I can give in a few words. I have said that so far as the auto pact is concerned there was, of course, inclusion of auto parts, but I am aware, as the hon. member is, that the Auto Parts Manufacturers Association has been making representations. I have listened to them and I will continue my discussions with them, and if there are to be changes in the auto pact we will try to accommodate them as best we can. Obviously, at the moment I cannot go beyond that.

* * *

AIR TRANSPORT

GOVERNMENT POSITION ON ALLEGED COMMITMENT TO ASSIST IN PROVIDING PRAIRIE AIR SERVICE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Transport. As the minister has now shot down Skywest and the Manitoba and Saskatche-

wan governments have decided to abandon the company, does the commitment of the Prime Minister that the federal government will assist in providing prairie air service still stand?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I hope it will be clear to the hon. member that I did not shoot down Skywest but that rather Mr. Evans pulled the plug on the operation by withdrawing in the face of a request for further information. We have stood ready at all times to purchase two aircraft and make them available to a carrier. However, we insisted that it be a carrier with a licence, and I think that is a reasonable proposition. We are still in the position of trying to pursue with Manitoba and Saskatchewan the possibility of providing service. I have had some discussions with the premier of Manitoba about this and he has indicated some willingness to support financially a venture in which the carrier provides a service to the communities of Brandon, Dauphin, Yorkton, between Saskatoon and Winnipeg, and we will be pursuing that question.

* * *

AIR CANADA

ALLEGED TAX SECURITY AT TERMINALS—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport and it has to do with lax security at Air Canada terminals in the United States and Canada. Is the minister aware of the complaint by the Gloucester police chief of lack of co-operation on the part of Air Canada to inform investigative authorities of valuable gold shipments passing through the terminal of Air Canada at Uplands and, if not, will he seek the reason from Air Canada and inform this House as soon as possible? Also, would the minister investigate the recent theft of a box of diamonds from Air Canada flight No. 745 from Kennedy airport to Montreal, as authorities are now questioning Air Canada employees in New York in regard to the missing diamonds?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I was aware of the earlier complaint on the part of the chief of police. I have no doubt that that matter is being discussed. I have also full confidence that the second issue will be investigated in the ordinary course and that there will be no need for any additional investigation on my part.

* * *

[*Translation*]

INDUSTRY

POSSIBLE MEASURES TO AID TEXTILE AND FOOTWEAR INDUSTRIES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce.

Considering that the textile industry in Canada has really been in a difficult situation for several years and that the footwear industry has now the same difficulties as many companies must dismiss more than 80 per cent of their staff, will the minister have the opportunity in the next Speech from the Throne to announce a policy which will rescue these industries which represent now thousands of jobs in the Eastern Townships?

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I would doubt very much if there would be anything by way of, as the hon. member puts it, something to include in the throne speech on this subject. There is a comparatively new policy with regard to both textiles and the footwear industry which has been in place now for something like a couple of years and we are continuing to examine it. A number of initiatives have been taken under it, but I believe it is generally agreed that the strategy that has been adopted is the most appropriate one in the circumstances. We will continue to look at the situation as various new developments occur, but that policy is the one that I anticipate we will continue to follow.

* * *

IMMIGRATION

REASON FOR DELAY IN DEPORTING ROOSEVELT DOUGLAS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Can the minister inform the House whether it has been the decision of the department to allow Roosevelt Douglas, a militant convicted and jailed for his part in the Sir George Williams University riot six years ago, to remain in Canada?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, Mr. Douglas was ordered deported some time ago.

An hon. Member: Which one?

Mr. Andras: Roosevelt Douglas. He most certainly does not come from Nanaimo-Cowichan and those islands! His deportation order was appealed to the Immigration Appeal Board. The appeal was rejected. He is under a deportation order. He has made several appeals to the Federal Court and to the Supreme Court. There is now another appeal before a judicial body of this country, and until that appeal is disposed of we cannot move to implement the deportation order.

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CONSUMER AFFAIRS

LOSS OF QUANTITY THROUGH CONVERSION FROM POUNDS TO GRAMS BUT SAME SALE PRICE—REQUEST FOR REPORT

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Several days ago I forwarded to the minister containers showing a change from pounds to grams, which were 1.2 pounds less in the conversion from pounds to grams. However, the same price was charged by the retail

outlet. I wonder whether the minister has investigated the matter and whether other cases have been brought to his attention where less product is available at the same price in the conversion from pounds to the metric system? I would also like to congratulate my constituency review board which brought this to my attention, a group composed of volunteers.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I thank the hon. member who sent to my office these exhibits which have been submitted to the officials of my department for inquiry. I can assure him and the other hon. members, that I will inform him of the new developments in this matter.

ROUTINE PROCEEDINGS

[*Translation*]

PRIVILEGE

MR. JELINEK—ALLEGED DISPARAGING REMARKS BY MINISTER

Mr. Speaker: The Minister of Consumer and Corporate Affairs on a question of privilege.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Thank you, Mr. Speaker. Yesterday, when the hon. member for High Park-Humber Valley (Mr. Jelinek) raised a question of privilege, you told the House that you would give me the opportunity to express my views before making any decision on the matter.

I only wish to say that last Monday, when the hon. member asked his question, he denounced fraudulent practices used in the financing of Olympic coins. This severe denunciation is found at page 10,002 of *Hansard*. In answer to his question, I said, as recorded on page 10,000:

> On the other hand, if the hon. member has elements of proof or other pertinent information to convey, I shall be pleased to transmit them to the director of inquiries.

But, two days after those remarks I checked with my office before coming to the House at two o'clock and the hon. member had not sent me those elements of proof nor had he sent them to my staff. This leads me to say that the hon. member seems more interested in his own question than in the answer given and the purpose of his questions has always puzzled me: they stem either from malice or from insignificance. The hon. member said yesterday that he was not trying to be malicious. Having no reason to doubt his word, I must therefore conclude that the second alternative is right.

● (1500)

[*English*]

Mr. Speaker: Order, please. As indicated yesterday, the role of the Chair in deciding on this difference between two members of the House has been made a great deal easier by virtue of the fact that the hon. member for High Park-Humber Valley (Mr. Jelinek), in raising the question

of privilege, originally did not add to it a motion which might seek any action on the part of the Chair. In many cases the chances are that the decision would have been the same, and that is that it is a matter of difference and debate between two members and cannot be classified as a question of privilege.

* * *

BUSINESS OF THE HOUSE

ORDER OF BUSINESS BEFORE CHRISTMAS RECESS

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order in respect of the business of the House for tomorrow. I am not asking the usual Thursday question; I know that today is Wednesday.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): In view of reports we are getting from outside the House that an important statement may be made tomorrow, can we be told whether it will be on statements at two o'clock, or is it to be at eight o'clock; and in any case, do any special House arrangements have to be made for it?

Mr. Sharp: Mr. Speaker, although it is Wednesday it might be useful if I were also, and in addition to answering the specific question put by the hon. member for Winnipeg North Centre, to give an indication of the government's program for the period before the adjournment. The government wishes to dispose of the final stages of the bill now under discussion at the report stage, Bill C-69, and then Bill C-77 and Bill C-52. I will also be putting down an adjournment motion which will recommend that we resume the session on January 26.

On resuming the session, the government will call the remainder of the sessional program, including Bill C-58. I mention that first because I want to emphasize that this bill continues to have the full commitment of the government.

Some hon. Members: Shame.

Mr. Sharp: We will also be calling, specifically, among a number of bills, C-41, C-20, C-68, C-71 and C-61, and if the Minister of Justice decides he wants to proceed with Bill C-72, that might also be part of our program. It was not clear whether the bill was put down at this point for first reading and comment, to be then reintroduced, but I will be consulting the Minister of Justice to see whether he wishes to continue with Bill C-72 during the present session.

Mr. Speaker, to come to the specific question asked by the hon. member for Winnipeg North Centre, tomorrow I intend, on motions, to seek the agreement of the House to revert to statements and the tabling of documents by ministers at eight o'clock for the purpose of a statement to be made by the President of the Treasury Board on economies in the government, and for the Minister of Finance to table the regulations under the anti-inflation act.

Mr. Stanfield: Why does that have to be done tomorrow night?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since the President of the Privy Council has answered more than I asked and had dealt with the business for the remainder of the session, may I ask, very seriously and very earnestly, whether the business between now and the end of the session will include a bill to implement the seventh report of the Standing Committee on Veterans Affairs having to do with former prisoners of war?

An hon. Member: Say yes.

Mr. Sharp: Mr. Speaker, I suppose if we did not adjourn for a very long time and sat during Christmas and New Year's, that would not be impossible. It was not my intention to call such a bill, if one were prepared, before we adjourned for Christmas.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a point of order, may I say that I asked whether we could be assured of having that bill before the end of the session.

Mr. Sharp: Mr. Speaker, that matter is still under consideration.

Mr. Stanfield: Mr. Speaker, I should like to ask the government House leader whether he can give us some explanation as to why we must be asked to give special leave for the tabling of these regulations tomorrow night. Why have they not been tabled already, and why do they have to be tabled in the evening? Is it because they can't stand the light of day?

Mr. Sharp: The reason is very simple, Mr. Speaker: these regulations could have an effect upon the stock market.

Some hon. Members: Oh, oh!

Mr. McGrath: Mr. Speaker, on the same point of order I should like to ask the government House leader a question in respect of Bill C-58. I do so on behalf of the people who are to be directly affected by this bill, since it was to become operative on January 1, which obviously cannot be the case now. May I ask whether for all intents and purposes the bill will be considered a tax bill and will become operative as of January 1 regardless of whether or not parliament has dealt with it?

Mr. Sharp: Mr. Speaker, this is a tax bill and the same principles will apply to it as to any other bill brought forward in this way. The date January 1 is in the bill, and that is the intention of the government. That is why I made it very clear by saying we would continue with this bill and no one should be under any misapprehension about our intentions.

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PRIVILEGE

MR. HNATYSHYN—OBLIGATION OF MINISTERS TO ANSWER ORAL QUESTIONS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise on a question of privilege to seek your direction in respect of a matter that has occurred from time to time and to which I have alluded on previous occasions. This related to the whole proposition during the question period of the obligation of ministers to answer questions, particularly when the obligation is by virtue of an undertaking by a minister to give an answer.

The point I raise is simply this. Your Honour has made it quite clear on previous occasions that a minister is not necessarily obliged to answer questions, and I suppose that is the prerogative of those on the treasury benches, under the rules; but when a minister undertakes to make an answer, it seems to me that he or she abuses the privileges of the House if in fact the answer is not forthcoming within a reasonable period of time, preferably on the floor of this House as opposed to some form of private communication. It has been pointed out to me very forcefully by colleagues that the idea of the question period is not to receive a written letter in response to a question; that is not the reason we raise these questions on the floor of the House. We expect, and deserve, an answer in the House.

I would ask Your Honour to indicate, by way of guidance, whether when a minister undertakes to give an answer there is a firm obligation, and whether if there is an obligation and a failure to so comply with the undertaking, it would constitute an abuse of the privileges of this House and a reflection on the rights of individual members, particularly those of us in the opposition who attempt in our own way to keep the government within bounds of reasonable action.

● (1510)

Mr. Lang: On the point of order, Mr. Speaker, I should simply like to observe, since it implicates ministers, that there is some difficulty in ministers rising during the question period to give answers to previous questions, because of disorder that is created in the question period. Furthermore, I should like to observe, in relation to the very interesting comment by the hon. member, my friend from Saskatoon-Biggar (Mr. Hnatyshyn) that the question period is designed to get these kind of answers on the floor of the House. I would suggest to him that if he would adapt the practice, that is shared by only a few of his colleagues, of giving notice to ministers about questions, he would find that answers could be given much more often on the floor of the House without a delay, therefore, causing confusion at a later date. That kind of habit and practice would be very much welcomed.

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) has raised a point of order that has been raised previously. It touches on a difficulty with our oral question period. Often a question is asked to which the minister really is not expected to have the answer in detail on the day in question, and the minister quite frequently makes the answer that not having the information available to him, he will seek the answer and bring it to the attention of the House at a later time. In that situation I follow the practice of not allowing supplementaries on such occasions because, presumably, on a later occasion the matter will be followed up by a further answer and it is on that later occasion the hon. member will want to have the opportunity for supplementary questions.

However, it also raises the problem, when that undertaking has been given, that there does not seem to be a

convenient opportunity on subsequent question periods for ministers to rise and, perhaps, in the course of answering one question to one member, direct another answer to another member. That tends to pre-empt any priorities which I may have been trying to set in recognizing members. In any case, it is not a very satisfactory resolution of the problem. The fact of the matter is that there really is no easy resolution of this particular problem except perhaps to facilitate this kind of thing in the first instance by notice, as has been referred to by the Minister of Transport (Mr. Lang), or in the alternative, after a period has elapsed for the hon. member who put the question originally to seek the floor a second time, to put the minister on the spot, as it were, and say, "having given the undertaking a few days ago to answer the question, does the minister have the information and would he bring it forward?" Up to this time there does not seem to have been any better resolution than that, and after reflection on occasions on which the point has been raised, frankly I cannot say I am aware of anything I could suggest. If hon. members have any suggestions for improving that procedure, I would be pleased to receive them.

Mr. Breau: Mr. Speaker, on a point of order, I should like to draw to the attention of the House an error in the proceedings as printed in yesterday's *Hansard* in respect of the vote of members on division No. 91. I am not shown as having voted on that division. I should like to draw to Your Honour's attention the fact that I voted for the motion. It seems that the Table has made an error between myself and my seatmate, the hon. member for Davenport (Mr. Caccia). I should like the record to show that I voted yea on the division on motion No. 91.

Mr. Baker (Grenville-Carleton): On the same point of order, Mr. Speaker, I do not wish to embarrass the hon. member, but I listened to his point of order with great care because it is so unusual. My attention was drawn to the location of the hon. member in the House. If the Chair made a mistake, it was because the hon. member was moving in his seat, or doing something, because I had the distinct impression that the hon. member was on his feet. Perhaps the hon. member was moving, but I did see him. He may have been squirming, or doing something. This was observed by some of my colleagues around me.

Mr. Speaker: The hon. member for Gloucester (Mr. Breau) has raised a legitimate point of order. I recall very distinctly that he not only was on his feet to cast his vote in favour of this particular motion but, furthermore, the vote was duly noted by the officials at the Table. If a mistake was made in *Hansard*, it was simply a technical error which I am sure will be corrected.

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Eleventh and twelfth reports of Standing Committee on Finance, Trade and Economic Affairs, in both official languages—Mr. Comtois.

[*Editor's note: For text of above reports, see today's Votes and Proceedings.*]

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,219, 3,220, 3,221, 3,222, 3,223, 3,224, 3,225, 3,226, 3,227, 3,228, 3,293, 3,329, 3,503, 3,601, 3,628, 3,630, 3,634 and 3,678.

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

[*Text*]

REFUGEE HOUSING PROJECT IN VIETNAM

Question No. 3,219—**Mr. Paproski:**

1. What criteria were used to award the contracts for consulting services and construction for the Refugee Housing Project in Vietnam in 1968 and 1969?

2. (a) Who were the (i) consultants invited to submit a proposal (ii) contractors invited to submit a bid (b) who was the successful bidder?

3. Was the low bidder awarded the contract for the project and, if not, for what reason?

4. Did the cost of construction exceed the contracted amount and, if so, for what reason?

5. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

6. How many Canadians were employed on the project?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. A contract for consulting services was not awarded. The criterion used to select the company for the construction contract for this project was the ability to construct facilities for displaced Vietnamese on an emergency basis, at the best possible price. This was financed under grant, to the Government of South Vietnam. The selection of the company was made by the SSEA, on advice from CIDA who maintained a permanent engineering adviser in Vietnam at the time.

2. a) (i) Not applicable as there was no consultant involved in this project and, therefore, no proposal call. (ii) The contract was awarded to Engbuild Builders International (later Victoria Builders International).

3. To the best of our knowledge, the lowest bidder was successful. To confirm this would require searching many documents at inordinate cost and length of time.

4. CIDA believes the costs were within the estimates. To confirm this would require searching many documents at inordinate cost and length of time.

5. Mr. D. Veitch who was CIDA's engineering representative in Vietnam at the time, was concerned with this project among others. He was present at the job site on continuous inspection. Records of visits or travel by CIDA and/or Department of External Affairs members are not maintained by project as travel is related to overall programs involving several specific areas of interest, and records are normally kept on this basis. Travel costs by CIDA and/or Department of External Affairs members are not charged to project funds.

6. Canadians were not employed at the construction site. As stated above, Mr. Veitch supervised the work of the contractors. Only Canadian citizens or landed immigrants may be employed on CIDA projects under normal circumstances. There is, however, no record of the number employed, as this information is not required for purposes of payment. Payments are made relative to the specific performance within the scope of work and the payment budget or, according to approved rates by discipline and total time worked, depending on the contract. The actual number of individuals employed is the prerogative of the consultant or contractor.

ÉCOLE POLYTECHNIQUE DE THIÈS PROJECT IN SENEGAL

Question No. 3,220—**Mr. Paproski:**

1. What criteria were used to award the contracts for consulting services and construction for the École Polytechnique de Thiès Project in Senegal in 1973?

2. (a) Who were the (i) consultants invited to submit a proposal (ii) contractors invited to submit a bid (b) who was the successful bidder?

3. Was the low bidder awarded the contract for the project and, if not, for what reason?

4. Did the cost of construction exceed the contracted amount and, if so, for what reason?

5. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

6. How many Canadians were employed on the project?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. There was no construction or consulting services contract awarded for this project in 1973. However, a technical assistance contract was awarded to la Corporation de l'École polytechnique de Montréal to take over the educational responsibility and administration of the school. L'École polytechnique de Montréal, as a technically-oriented university was particularly competent in this field. It also carried out the feasibility study on this project and was therefore the logical choice for the major contract. This is normal practice in selecting a university to fulfil a contract since we do not invite competitive bids in the case of universities.

2. (a) (i) (ii) No proposals or bids were invited. (b) As mentioned, bids have not been called.

3. As mentioned, bids have not been called.

4. As mentioned, no contract for construction has been awarded.

5. Records of visits or travel by CIDA and/or Department of External Affairs members are not maintained by project as travel is related to overall programs involving several specific areas of interest, and records are normally kept on this basis. Travel costs by CIDA and/or Department of External Affairs members are not charged to project funds.

6. Only Canadian citizens or landed immigrants may be employed on CIDA projects under normal circumstances. There is, however, no record of the number employed, as this information is not required for purposes of payment. Payments are made relative to the specific performance within the scope of work and the payment budget or, according to approved rates by discipline and total time worked, depending on the contract. The actual number of individuals employed is the prerogative of the consultant or contractor.

[Mr. MacEachen.]

FIELD TRAINING AND DEMONSTRATION CENTRE PROJECT IN VIETNAM

Question No. 3,221—**Mr. Paproski:**

1. What criteria were used to award the contracts for consulting services and construction for the Field Training and Demonstration Centre Project in Vietnam in 1972?

2. (a) Who were the (i) consultants invited to submit a proposal (ii) contractors invited to submit a bid (b) who was the successful bidder?

3. Was the low bidder awarded the contract for the project and, if not, for what reason?

4. Did the cost of construction exceed the contracted amount and, if so, for what reason?

5. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

6. How many Canadians were employed on the project?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. No consultant contract was awarded for this project. The criterion used to award the contract for construction was the lowest bid received.

2. (a) (i) No consultant contract was awarded; therefore, there was no proposal call for consulting services. (ii) Victoria Builders International AJN Construction Limited. (b) Victoria Builders International.

3. Yes.

4. Because additional work was required and carried out under CIDA financing, eventual costs of construction were $286,000 as versus an original contract amount of $250,140.

5. Records of visits or travel by CIDA and/or Department of External Affairs members are not maintained by project as travel is related to overall programs involving several specific areas of interest, and records are normally kept on this basis. Travel costs by CIDA and/or Department of External Affairs members are not charged to project funds.

6. Under normal circumstances only Canadian citizens, landed immigrants or nationals of the recipient country would be employed on CIDA projects. To the best of our knowledge the only Canadians employed directly on this project was the Site Manager, and two engineers who carried out site inspections. There is, however, no record of the number employed, as this information is not required for purposes of payment. Payments are made relative to the specific performance within the scope of work and the payment budget or, according to approved rates by discipline and total time worked, depending on the contract. The actual number of individuals employed is the prerogative of the consultant or contractor.

ÉCOLE NATIONALE DE PÊCHE PROJECT IN ALGERIA

Question No. 3,222—**Mr. Paproski:**

1. What criteria were used to award the contracts for consulting services and construction for the École Nationale de Pêche Project in Algeria in 1973?

2. (a) Who were the (i) consultants invited to submit a proposal (ii) contractors invited to submit a bid (b) who was the successful bidder?

3. Was the low bidder awarded the contract for the project and, if not, for what reason?

4. Did the cost of construction exceed the contracted amount and, if so, for what reason?

5. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

6. How many Canadians were employed on the project?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. A list of companies was prepared on the basis of competence and normal professional standards from all those registered with CIDA. The criteria for selection were professional qualifications, relevant and related past experience, availability of expertise, ability to undertake the work, overseas experience and language requirements. The list of five companies was presented to the SSEA with CIDA's recommendations for his approval. The construction contract was not awarded by CIDA; the criteria for selection are, therefore, not on record.

2. (a) (i) Within the financial limits of the project, no proposal call was required. The firm of Demontigny, Dion, Métivier, Gagnon was selected. (ii) Not applicable to this project as the construction contract was not awarded or financed by CIDA. (b) Not applicable to this project as the construction contract was not awarded or financed by CIDA.

3. Not applicable to this project as the construction contract was not awarded or financed by CIDA.

4. Not applicable as the cost of construction was not paid from CIDA's funds; a comparison of actual versus contracted cost of construction is, therefore, not on record.

5. Records of visits or travel by CIDA and/or Department of External Affairs members are not maintained by project as travel is related to overall programs involving several specific areas of interest, and records are normally kept on this basis. Travel costs by CIDA and/or Department of External Affairs members are not charged to project funds.

6. Only Canadian citizens or landed immigrants may be employed on CIDA projects under normal circumstances. There is, however, no record of the number employed, as this information is not required for purposes of payment. Payments are made relative to the specific performance within the scope of work and the payment budget or, according to approved rates by discipline and total time worked, depending on the contract. The actual number of individuals employed is the prerogative of the consultant or contractor.

MONA LIBRARY PROJECT IN UWI

Question No. 3,223—**Mr. Paproski:**

1. What criteria were used to award the contracts for consulting services and construction for the Mona Library Project in UWI in 1972?

2. (a) Who were the (i) consultants invited to submit a proposal (ii) contractors invited to submit a bid (b) who was the successful bidder?

3. Was the low bidder awarded the contract for the project and, if not, for what reason?

4. Did the cost of construction exceed the contracted amount and, if so, for what reason?

5. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

6. How many Canadians were employed on the project?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. As for consulting services, a list of companies was prepared on the basis of competence and normal professional standards from all those registered with CIDA. The criteria for selection were professional qualifications, relevant and related past experience, availability of expertise, ability to undertake the work, overseas experience and language requirements. The list of five companies was presented to the SSEA with CIDA's recommendations for his approval. The construction contract was awarded on the basis of the lowest qualified bid.

2. (a)(i) Within the financial limits of the project, no proposal call was required. The firm of Leslie Fairn was selected. (ii) The contractors invited to bid on the construction contract were: Leonard L. Chang, W. V. Lynch, Abraham, Henriques & Joy, Marley & Plant, Framhill Construction Co. Ltd., Mais & Sant, McGregor & Levy, Paul Johnson Construction; (b) The successful bidder was Marley & Plant.

3. Yes.

4. The construction cost were below the budget.

5. Records of visits or travel by CIDA and/or Department of External Affairs members are not maintained by project as travel is related to overall programs involving several specific areas of interest, and records are normally kept on this basis. Travel costs by CIDA and/or Department of External Affairs members are not charged to project funds.

6. Only Canadian citizens or landed immigrants may be employed on CIDA projects under normal circumstances. There is, however, no record or the number employed, as this information is not required for purposes of payment. Payments are made relative to the specific performance within the scope of work and the payment budget or, according to approved rates by discipline and total time worked, depending on the contract. The actual number of individuals employed is the prerogative of the consultant or contractor.

SHASHE/SELEBI-PIKWE POWER STATION PROJECT IN BOTSWANA

Question No. 3,224—**Mr. Paproski:**

1. What criteria were used to award the contracts for consulting services and construction for the Shashe/Selebi-Pikwe Power Station Project in Botswana in 1972?

2. (a) Who were the (i) consultants invited to submit a proposal (ii) contractors invited to submit a bid (b) who was the successful bidder?

3. Was the low bidder awarded the contract for the project and, if not, for what reason?

4. Did the cost of construction exceed the contracted amount and, if so, for what reason?

5. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

6. How many Canadians were employed on the project?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. All consulting services were financed by the IBRD; CIDA financed the construction contract and the equipment. The consulting services were provided by the British firm of Sir Alexander Gibb & Partners, who sub-contracted electrical and mechanical systems to the British firm of Merz & McLellan. The IBRD also financed the services of Shawinigan Engineering who were selected by the British firms to interpret the specifications, and expedite and purchase the Canadian equipment. CIDA was not directly involved in the selection process for the con-

sulting services and did not establish the criteria for selection. The selection criterion for the construction contract was the lowest qualified bidder.

2. (a)(i) As mentioned consulting services were financed by the IBRD. CIDA was not involved in the issue or evaluation of the proposals for consulting services and as a result has not maintained a record of those asked to propose. (ii) The contractors invited to bid on the major construction and installation contract were as follows: 1. Canadian Comstock; 2. Foundation Company of Canada; 3. CANA Construction Limited; 4. Commonwealth Construction Limited; 5. CANRON Limited. Many suppliers were invited to bid on the remaining 16 supply contracts. The lists of those eligible were prepared by the Department of Industry, Trade and Commerce and CIDA and submitted to Merz and McLellan. (b) Canadian Comstock was the successful bidder on the major installation contract. The following firms were successful bidders on the remaining 16 supply contracts: 1. Canadian General Electric; 2. CANRON Limited; 3. Babcock Wilcox Limited; 4. F.P.E. Pioneer Electric; 5. Jeffrey Manufacturing Company Limited; 6. Canadian Overhead Handling; 7. Canadian International Comstock; 8. Wallace Tiernan Limited; 9. Bédard Girard Limited; 10. Canadian Westinghouse International; 11. Bingham Pump Limited; 12. CHECO Engineering; 13. Ruston Diesel Limited; 14. Bédard Girard Limited; 15. Degremont Canada Limited; 16. Marley Canadian Limited.

3. Two bids were received for the major construction and installation contract. They were not comparable as to price because the conditions laid down by one of the bidders differed significantly from the other. In view of the fact that this bidder was not prepared to modify these conditions it was ruled unresponsive and negotiations proceeded with the remaining bidder, Canadian Comstock, and the amount of the bid reduced significantly. The contract was awarded to Canadian Comstock. For the remaining 16 supply contracts only one was not awarded to the lowest bidder, because the materials were not up to the standard required for the project.

4. The final cost of the work will exceed the forecast estimate which was based on the assumption that there would be no changes in the specifications or time frame. The extra costs over the original estimates were a result of modifications and extensions to the work over the life of the contract, and the interpretation and changes which resulted from the use of British design.

5. Records of visits or travel by CIDA and/or Department of External Affairs members are not maintained by project as travel is related to overall programs involving several specific areas of interest and records are normally kept on this basis. Travel costs by CIDA and/or Department of External Affairs members are not charged to project funds.

6. Only Canadian citizens or landed immigrants may be employed on CIDA projects under normal circumstances. There is, however, no record of the number employed, as this information is not required for purposes of payment. Payments are made relative to the specific performance within the scope of work and the payment budget or, according to approved rates by discipline and total time worked, depending on the contract. The actual number of individuals employed is the prerogative of the consultant or contractor.

[Mr. MacEachen.]

ZAMBIA INSTITUTE OF TECHNOLOGY PROJECT, ZAMBIA

Question No. 3,225—**Mr. Paproski:**

1. What criteria were used to award the contracts for consulting services and construction for the Zambia Institute of Technology Project in Zambia in 1971?

2. (a) Who were the (i) consultants invited to submit a proposal (ii) contractors invited to submit a bid (b) who was the successful bidder?

3. Was the low bidder awarded the contract for the project and, if not, for what reason?

4. Did the cost of construction exceed the contracted amount and, if so, for what reason?

5. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

6. How many Canadians were employed on the project?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. A list of companies was prepared on the basis of competence and normal professional standards from all those registered with CIDA. The criteria for selection were professional qualifications, relevant and related past experience, availability of expertise, ability to undertake the work, overseas experience and language requirements. The list of five companies was presented to the SSEA with CIDA's recommendations for his approval. The construction contract was not awarded by CIDA, the criteria for selection are therefore not on record.

2. (a) (i) Within the financial limits of the project, no proposal call was required. The firm of "No. 10 Architectural Group" was selected. (ii) Not applicable to this project as the construction contract was not awarded or financed by CIDA. (b) Not applicable to this project as the construction contract was not awarded or financed by CIDA.

3. Not applicable to this project as the contruction contract was not awarded or financed by CIDA.

4. Not applicable as the cost of construction was not paid from CIDA's funds, a comparison of actual versus contracted cost of construction is, therefore, not on record.

5. Records of visits or travel by CIDA and/or Department of External Affairs members are not maintained by project as travel is related to overall programs involving several specific areas of interest, and records are normally kept on this basis. Travel costs by CIDA and/or Department of External Affairs members are not charged to project funds.

6. Only Canadian citizens or landed immigrants may be employed on CIDA projects under normal circumstances. There is, however, no record of the number employed, as this information is not required for purposes of payment. Payments are made relative to the specific performance within the scope of work and the payment budget or, according to approved rates by discipline and total time worked, depending on the contract. The actual number of individuals employed is the prerogative of the consultant or contractor.

TUNIS-KORBA TRANSMISSION PROJECT IN TUNISIA

Question No. 3,226—**Mr. Paproski:**

1. What criteria were used to award the contracts for consulting services and construction for the Tunis-Korba Transmission Project in Tunisia in 1970?

2. (a) Who were the (i) consultants invited to submit a proposal (ii) contractors invited to submit a bid (b) who was the successful bidder?

3. Was the low bidder awarded the contract for the project and, if not, for what reason?

4. Did the cost of construction exceed the contracted amount and, if so, for what reason?

5. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

6. How many Canadians were employed on the project?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. A list of companies was prepared on the basis of competence and normal professional standards from all those registered with CIDA. The criteria for selection were professional qualifications, relevant and related past experience, availability of expertise, ability to undertake the work, overseas experience and language requirements. The list of five companies was presented to the SSEA with CIDA's recommendations for his approval. The construction contract was not awarded by CIDA, the criteria from selection are therefore not on record.

2. (a) (i) Within the financial limits of the project, no proposal call was required. The firm of Tecsult International was selected. (ii) Not applicable to this project as the construction contract was not awarded or financed by CIDA. (b) Not applicable to this project as the construction contract was not awarded or financed by CIDA.

3. Not applicable to this project as the construction contract was not awarded or financed by CIDA.

4. Not applicable as the cost of construction was not paid from CIDA's funds, a comparison of actual versus contracted cost of construction is therefore not on record.

5. Records of visits or travel of CIDA and/or Department of External Affairs members are not maintained by project as travel is related to overall programs involving several specific areas of interest, and records are normally kept on this basis. Travel costs by CIDA and/or Department of External Affairs members are not charged to project funds.

6. Only Canadian citizens or landed immigrants may be employed on CIDA projects under normal circumstances. There is, however, no record of the number employed, as this information is not required for purposes of payment. Payments are made relative to the specific performance within the scope of work and the payment budget or, according to approved rates by discipline and total time worked, depending on the contract. The actual number of individuals employed is the prerogative of the consultant or contractor.

ELECTRIC POWER ELECTROBRAS NORTHEAST DISTRIBUTION PROJECT IN BRAZIL

Question No. 3,227—**Mr. Paproski:**

1. What criteria were used to award the contracts for consulting services and construction for the Electric Power Electrobras Northeast Distribution Project in Brazil 1969?

2. (a) Who were the (i) consultants invited to submit a proposal (ii) contractors invited to submit a bid (b) who was the successful bidder?

3. Was the low bidder awarded the contract for the project and, if not, for what reason?

4. Did the cost of construction exceed the contracted amount and, if so, for what reason?

5. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

6. How many Canadians were employed on the project?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The evaluation of proposals for consulting services was made by the Government of Brazil and monitored by CIDA, as this project was financed under a development loan agreement through the Inter American Development Bank (IADB). A list of companies was prepared on the basis of competence and normal professional standards from all those registered with CIDA. The criteria for selection were professional qualifications, relevant and related past experience, availability of expertise, ability to undertake the work, overseas experience and language requirements. The list of five companies was presented to the SSEA with CIDA's recommendations for his approval. The construction contract was not awarded by CIDA, the criteria for selection are therefore not on record.

2. (a) (i) Montreal Engineering Co. Ltd., Montreal; Acres International Ltd., Toronto; Surveyer, Nenniger and Chenevert, Montreal; Shawinigan Engineering Co. Ltd. The contract was awarded to Montreal Eng. on the basis of the best proposal. (ii) Not applicable to this project as the construction contract was not awarded by CIDA. (b) Not applicable to this project as the construction contract was not awarded by CIDA.

3. Not applicable to this project as the construction contract was not awarded by CIDA.

4. CIDA has no requirement to maintain records of cost of construction as this was financed through the Inter American Development Bank (IADB).

5. Records of visits or travel by CIDA and/or Department of External Affairs members are not maintained by project as travel is related to overall programs involving several specific areas of interest, and records are normally kept on this basis. Travel costs by CIDA and/or Department of External Affairs members are not charged to project funds.

6. Only Canadian citizens or landed immigrants may be employed on CIDA projects under normal circumstances. There is, however, no record of the number employed, as this information is not required for purposes of payment. Payments are made relative to the specific performance within the scope of work and the payment budget or, according to approved rates by discipline and total time worked, depending on the contract. The actual number of individuals employed is the prerogative of the consultant or contractor.

AKONOLINGA BRIDGE PROJECT IN CAMEROON

Question No. 3,228—**Mr. Paproski:**

1. What criteria were used to award the contracts for consulting services and construction for the Akonolinga Bridge Project in Cameroon in 1969?

2. (a) Who were the (i) consultants invited to submit a proposal (ii) contractors invited to submit a bid (b) who was the successful bidder?

3. Was the low bidder awarded the contract for the project and, if not, for what reason?

4. Did the cost of construction exceed the contracted amount and, if so, for what reason?

5. Which members from CIDA and/or the Department of External Affairs visited the job site and were their trips charged to the project?

6. How many Canadians were employed on the project?

Order Paper Questions

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. A list of companies was prepared on the basis of competence and normal professional standards from all those registered with CIDA. The criteria for selection were professional qualifications, relevant and related past experience, availability of expertise, ability to undertake the work, overseas experience and language requirements. The list of five companies was presented to the SSEA with CIDA's recommendations for his approval. The contractor was selected on the basis of best price and ability to meet the tender requirements.

2. (a) (i) Within the financial limits of the project, no proposal call is required. The firm of Beauchemin, Beaton, Lapointe was selected. (ii) Canadian Comstock, Dominion Bridge. (b) Canadian Comstock was the successful bidder.

3. Yes.

4. No.

5. Records of visits or travel by CIDA and/or Department of External Affairs members are not maintained by project as travel is related to overall programs involving several specific areas of interest, and records are normally kept on this basis. Travel costs by CIDA and/or Department of External Affairs members are not charged to project funds.

6. Only Canadian citizens or landed immigrants may be employed on CIDA projects under normal circumstances. There is, however, no record of the number employed, as this information is not required for purposes of payment. Payments are made relative to the specific performance within the scope of work and the payment budget or, according to approved rates by discipline and total time worked, depending on the contract. The actual number of individuals employed is the prerogative of the consultant or contractor.

PRAIRIE FARM ASSISTANCE ACT

Question No. 3,293—**Mr. Murta:**

Are there any exceptional circumstances to explain the reason that, in the last year of existence of the Prairie Farm Assistance Act (crop year 1973-1974), benefits paid totaled $524,880.50 and administration expenses totaled $486,741.97 and, if so, what are they?

Hon. E. F. Whelan (Minister of Agriculture): There were exceptional circumstances involved relative to the benefits paid and the administrative expenses incurred by the Prairie Farm Assistance Administration for the crop year 1973-74 as indicated in the 1973-74 Report of Activities under the Prairie Farm Assistance Act. The costs of the Prairie Farm Assistance Administration of $486,741.97 in 1973 include the cost of salaries of all permanent employees of the administration, amounting to $372,049.32. These permanent employees of the Prairie Farm Assistance Administration were responsible for the operation of the Grassland Incentive Program involving payments to producers amounting to $16.8 million, as well as the operation of the Prairie Farm Assistance Program.

[Mr. Paproski.]

FUNDS TO THE INTERNATIONAL CUP WORLD AMATEUR BASEBALL TOURNAMENT

Question No. 3,329—**Mr. Howie:**

Did the government grant funds to the International Cup World Amateur Baseball Tournament held in New Brunswick and Quebec in August 1975 and, if so, have any more funds been requested or offered?

Hon. Marc Lalonde (Minister of National Health and Welfare): A contribution of $50,000 was made to the 1975 Intercontinental Cup Amateur Baseball Corporation to assist in defraying the costs of accommodation for participants in the August tournament held in Fredericton, New Brunswick and Montreal, Quebec. A request for a further contribution has been received. This request is currently under consideration by the Fitness and Amateur Sport Branch of the Department of National Health and Welfare.

REVIEW OF FINANCIAL STRUCTURE OF CNR

Question No. 3,503—**Mr. Fortin:**

Did CNR and the government hold talks in order to review the financial structure of CNR and, if so, with what results?

Hon. Otto E. Lang (Minister of Transport): Informal discussions have been held frequently over the last number of years, but to date no conclusions or decisions have been reached.

INVESTIGATION—SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA

Question No. 3,601—**Mr. Brisco:**

Is the RCMP investigating the Society for the Study of the Heritage of Canada and, if so, what progress has been made towards determining if there were any legal irregularities involved in the Society's operation?

Hon. Warren Allmand (Solicitor General): An investigation is currently underway; however, it would be premature to comment on any legal irregularities at this time.

MANPOWER AND IMMIGRATION—LAWYERS RETAINED IN VICTORIA, B.C. CONSTITUENCY

Question No. 3,628—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Manpower and Immigration during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (Reply pertains to all lawyers and law firms not performing services to Manpower and Immigration through Justice Department.) 1 and 2. Nil.

SOLICITOR GENERAL—LAWYERS RETAINED IN VICTORIA, B.C. CONSTITUENCY

Question No. 3,630—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of the Solicitor General during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Warren Allmand (Solicitor General): 1 and 2. Nil.

SECRETARY OF STATE—LAWYERS RETAINED IN VICTORIA, B.C. CONSTITUENCY

Question No. 3,634—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of the Secretary of State during 1973 and 1974?

2. By year, what was the total amount paid to each?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): 1. Nil.

2. Not applicable.

PROPOSAL OF HERITAGE CANADA FOR A CANADIAN REGISTER OF HERITAGE PROPERTY

Question No. 3,678—**Mr. Fairweather:**

Does the government support the proposal of Heritage Canada for a Canadian Register of Heritage Property through collaboration of the federal and provincial governments and, if so, what specific steps have been taken to advance this proposal?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Yes. The concept is being actively pursued through consultation with provincial and territorial officials.

Mr. Lang: Mr. Speaker, I wonder if I might, irregularly, have the permission of the House to table some documents.

Mr. Speaker: It would suit the Chair to revert to the tabling of documents in order to permit the Minister of Transport (Mr. Lang) to table a document, and so I can revert to motions in order to permit the hon. member for New Westminster (Mr. Leggatt) to table a petition.

* * *

AIR TRANSPORT

TABLING OF CORRESPONDENCE ON SUSPENSION OF FRENCH-SPEAKING AIR TRAFFIC CONTROLLERS

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I wish to table, under Standing Order 41 (2), copies, in both official languages, of letters received by the Deputy Minister of Transport from Mr. Keith Spicer on the subject of the suspension of two French-speaking air traffic controllers. There are two letters being tabled, one dated December 11 and the other dated December 12.

Motion for Papers

EXTERNAL AFFAIRS

PETITION PROTESTING CONSTRUCTION OF U.S. NUCLEAR BASE NEAR VANCOUVER, B.C.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have the honour this afternoon to present a petition to the House representing one signed by some 10,500 Canadian citizens, protesting the construction of the Trident nuclear base some 60 miles south of the city of Vancouver. In essence, the petition seeks action from this House to protest the lack of consultation by the United States in respect of the construction of the base, and also to protest the dangerous escalation of the arms race this base represents in having a first-strike capacity. Further, it follows the decision of the city of Vancouver to declare November 23-29 as Trident Concern Week in that area.

Mr. Baker (Grenville-Carleton): I rise on a point of order, Mr. Speaker. In view of the importance of the letters the Minister of Transport (Mr. Lang) has just tabled, I wonder if the government House leader would agree that these be printed today as an appendix to today's *Hansard*, because of the importance of this matter.

Mr. Speaker: Order, please. There has been a request that the documents tabled by the Minister of Transport (Mr. Lang) be printed as part of *Hansard*. Is there agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: This can only be done with the unanimous consent of the House. There is not unanimous consent.

● (1520)

MOTIONS FOR PAPERS

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notice of motion for the production of papers No. 64?

COPIES OF REPORTS ON GROUNDFISH IN THE LABRADOR-NORTHERN GRAND BANKS AREA

Motion No. 64—**Mr. Marshall:**

That an Order of the House do issue for copies of all reports submitted to the government as a result of experimental and exploratory voyages for groundfish in the Labrador-Northern Grand Banks area by the British fishing vessel *Boston York* chartered by Fishery Products of St. John's, Newfoundland and which was supported by the government.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there were no reports submitted to the government as requested by the hon. member. I would, therefore, request that the hon. member withdraw his motion.

GOVERNMENT ORDERS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed, from Tuesday, December 16, 1975, consideration of Bill C-69, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, and of motions Nos. 11 and 12 of the hon. members for Hamilton West (Mr. Alexander) and for Winnipeg North Centre (Mr. Knowles).

Mr. Roch La Salle (Joliette): Mr. Speaker, this is to supplement some of my comments I made last night. I know that we are about to adopt this bill, which appears most important to us on this side of the House.

Last night I took the opportunity to make a last appeal to all my colleagues of this House, considering the refusal by the government to make any change to its original proposition. I still think it is my duty to reiterate this representation today and to urge the majority of hon. members to prevail upon the minister to consider the suggestions which have already been made in this House. I know that many statistical and evaluation data have been given. We are also aware of the fact that, in order to bring about the necessary cuts in the federal government budget, we are presenting legislation which seems unfair to us. I contend that the injustices which we spotted in this bill have also been recognized not only by hon. members of the opposition parties but also by some government members as well.

Therefore, for the sake of curtailing expenditures, the government is bringing forward legislation which provides for increased contributions, for decreased benefits and, what affects us most, for the disentitlement to unemployment benefits of people aged 65. However, Mr. Speaker, I do not think there is one hon. member in this House who would not acknowledge the applications which are made in our constituencies by those senior citizens who wish to withdraw from the labour market but would like to keep receiving the benefits the Canadian Parliament had granted them. To the risk of repeating myself, Mr. Speaker, I would like, before the bill is adopted, to appeal to the compassion of the government which has been, hitherto, insensitive. Last night I mentioned how cruel it was of the government to deny those people the benefits they are entitled to. I would not like to have to infer that this government is heartless, Mr. Speaker, when it refuses to heed the pleas and representations made in the House by several hon. members and not only by my colleagues of the Progressive Conservative Party.

Mr. Speaker, we are still hoping that at the last moment the minister will consider improving this bill to make it acceptable not only to one party, but to Parliament as a whole.

Mr. Speaker, I am convinced that many representations have been made to all hon. members. I am also convinced that the government members would have liked the minister to be more attentive to representations made in committee at second reading or now in the House. I hope that we shall be able to take a few more minutes to make the minister understand our representations and the need to improve this bill so that it may meet the needs of the people involved. If it is a question of appealing to common sense, Mr. Speaker, I would like to do so. I truly wonder what has been happening since the last election, for instance, since all the legislation that has been introduced has only increased the difficulties facing Canadians.

We know very well, Mr. Speaker, that tomorrow new cuts will be announced and we can already guess that the less favoured people will have to suffer the burden of this legislation. Proposals are now before the House which will cause hardship for certain people who do not deserve it. As concerns the people aged 65 and over, who deserve the respect of parliamentarians, who have worked for 40 or 45 years, who have paid unemployment insurance for 30 years or more, the bill now before the House is the gift that the government wants to give them just before the Holiday Season to thank them.

For all these reasons, Mr. Speaker, I would like my comments to be brief. I hope that the minister will realize the importance of this legislation, the hardship that it brings to this group of people, the difficulties that it will cause. We therefore hope that he will amend the legislation and act like someone who seems to understand the difficulties facing Canadians today.

Mr. Speaker, I hope that we shall have good news for these people. There could not be any greater gift for these unfortunate people before the Holiday Season than to see the government act in their favour. It seems to me that the minister cannot be unmoved by the appeal I am making on their behalf.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have been discussing this matter with my colleagues who, as I indicated, can speak on this subject with impartiality. As you know, Mr. Speaker, there are not too many people who can discuss this clause in the abstract, with disinterest, because most of us will eventually reach the age when this law will apply to us.

I was interested to hear the arguments put forward by UIC regarding this clause, and I was particularly interested in the difficulties which the UIC indicated had been apparent to them in the operation of that provision which affected people between the age of 65 and 70, a category of people between the ages 65 and 69 under this bill. Before this bill was put before the House there was a choice, when you reached the age of 70, whether or not one applied for the Canada Pension Plan or Quebec Pension Plan benefits. In my experience, this affected two classes of people: first, those who were being retired compulsorily, which included civil servants, railway people and some of the highly organized sectors of our labour force who in many instances were going to receive a pension. So with respect to those people, the provision applied in a totally different manner to the way it applied to others in the same category. Those who had to retire on a certain date had to decide whether they would retire or take work in another field.

● (1530)

Many of the people in this category had spent their lifetime in that occupation, and this meant a total change in their field of work. In many cases, in the community in which they had previously worked there was very little opportunity to change their work, so it meant they had to retire somewhere else. If that was the case, they undertook a totally different kind of work. It began with railroaders who had to retire at 65 years of age. They had worked hard all their lives. They were used to working. Many of them were highly skilled. Many of them had steam licences, and this was useful in other fields totally unrelated to the jobs they had been in, so quite often they took different work, for example, the maintenance of boilers. They used their steam certificates for employment in new jobs. If they did not, hon. members are well aware of the fact that they did not live very long. Within a year or two they would be dead anyway, so they either made a total transition to a new job or they were not around to be worried about any of the problems of retirement.

These people were totally unprepared for retirement. They had been working all kinds of hours, under all kinds of weather conditions, on a call-out basis. There was no opportunity to develop friendships or hobbies, so that when they retired they either had to find a totally new occupation where they could use their skills, or leave the work force. In many cases they did leave their particular areas and their occupations entirely, went to new occupations and continued to work, which was both a desire and a need. It was not necessarily a financial need, but it was a need.

In other fields where an automatic retirement was made mandatory—this affects the civil service—most people have been able to make that transition fairly easily. They have been in associations and involved in all kinds of outside activities. The nature of their work allowed them to have hobbies, and therefore they made the transition. Their pensions were sufficient to allow them to retire. In fact, many of them retired around this time of year because it gave them a considerable advantage which could not be had at any other time of year. This category of persons counted on retirement and were prepared to retire. This was the difference. Many methods were used to solve the problem of retirement of a compulsory nature, and certainly the establishment of the Canada Pension Plan and old age security was a very worth-while asset for them; but retirement could have been possible for many of them in any case.

There is another group of people retiring. However, before I leave the first category I should like to say that I disagree entirely with the officials of UIC, and particularly the chairman when he says that in this category 29 per cent wished to participate in the rate. I presume that is 29 per cent of that group, not of the whole number. I do not think there are that many in this group, but if 29 per cent had to continue in the labour force, that to quite an extent includes the group we are discussing. They are being taken in because the chairman goes on to say that the average rate for recipients in that category between age 65 and 69 amounted to $2,800 as the benefit which they would draw as opposed to other recipients. I presume that refers to the other categories, the other recipients who would draw $1,300.

That indicates that these people were able to obtain a very different kind of employment from those in the second category, and because of the pay-out I imagine this also indicates that they are receiving a higher rate of return. Let us consider civil servants who retired recently. The deputy minister of finance took an early retirement. Why? Because the job he was going to was to pay him much more than the government did. I understand that he left a $60,000 job for a $100,000 job.

Mr. Murta: Where did you hear that?

Mr. Peters: That was Sam Reisman.

Mr. Knowles (Winnipeg North Centre): Simon.

Mr. Murta: Where did you hear that?

Mr. Peters: Those are the figures I heard. Others may feel that they are incorrect. I have known Mr. Reisman for a long time.

An hon. Member: If you know him so well, his name is Simon.

Mr. Peters: Well, Mr. Speaker, I am not intimate with him.

An hon. Member: I hope not.

Mr. Peters: Perhaps some of my colleagues have been, or are. For the edification of the hon. member, I am not really connected with the George Weston chain, either. I would bow to his judgment in that respect because my understanding is only through hearsay. The understanding of the hon. member is probably factual because of his connection. However, I believe Mr. Reisman was a very valuable civil servant and that whatever job he now has he will do to the best of his ability. He is probably worth all the money he is being paid. The point I am making is that, while he may have reached the age of retirement, he will certainly be in a higher income bracket because of his knowledge, experience and ability. This is true of many people retiring from government service. I know many RCMP officers and many officers in the armed forces who went to other jobs paying considerably more than they were able to earn prior to age 65.

The chairman of the commission may be quite right in indicating that this group will be in a higher category than average. It may be that we should be able to provide a segregration in this group which would help the second group I wish to talk about. The second group is that between the age of 65 and 69—and in many cases over 70—who have worked all their lives at the bottom of the labour ladder. They have never made a great deal of money. They have never made much more than enough to get by on. Many of them reach this age and do not own a house and do not have any of the amenities of life, although they have raised their families and spent the money they earned to that end. This group will have to continue working, not for the mental or physical reasons I mentioned but because there is no alternative for them. They cannot live on the old age pension and the very small CPP they will receive,

because their contributions were based on small wages which did not provide a reasonable pension.

In this category we find people who have difficulty finding employment. For the most part, we are not talking about people who are in good health. Almost everyone in this category who has worked hard for a long period of time has a physical disability of one kind or another. I agree with the chairman when he says that the jobs many of them are capable of performing in the community—are limited to night watchmen, flagmen on a highway, janitor in a public building. These are minimum wage jobs, available to people not in the best of health. They have difficulty in keeping jobs, however.

● (1540)

It is a fact that these jobs are of short duration, as are many of the menial tasks performed by our senior citizens who should, therefore, be offered the benefits of unemployment insurance. Many of these people desperately need employment; they need a guarantee against unemployment. The minister says we have increased the old age pension, the guaranteed income supplement, and we have added medical care and, under certain circumstances, have added the spouse who is under 65. All these things do not add up to very much money, and unless people are able to find continuous employment they will be dependent on the social security structure most of the time.

There was considerable difficulty last time when we integrated the two sections covering the same subject, but if the claimant were aware of all the facts he could decide whether to apply for the Canada pension and take the pay-out, or continue making contributions and forgo the payment of the Canada pension. I suggest it would be a mistake to change the act to make it mandatory for everyone over age 65 to apply for the Canada pension. That means that the person who has retired and gets into the three weeks' pay-out is finished as far as unemployment insurance coverage is concerned. That seems to me to be rather unfair.

Many people have made that kind of decision in relation to the Canada pension, and indeed many members of this House made that kind of decision in regard to their own pension plan, whether they wished to take advantage of the benefits that may accrue under one section or another. It is an individual decision. It should also apply to applicants for unemployment insurance if there has been a major attachment to the labour force. Of course, there will be many people who have never had an attachment to the labour force and at age 65 are faced with entering the labour force. I presume these people would not be entitled to start contributing because there will actually be nothing for them to fall back on. It would really be using the pyramid system: those who are paying would be supporting those who are drawing. The unemployment rate under this government is too high to make that possible or desirable.

Long before a pension plan was introduced in this House—which later became the Canada Pension Plan—I had asked for years for the establishment of a contributory pension plan that would be portable. We were in favour of a plan that would pay 50 per cent of wages upon retirement. With the rampant inflation there is in the country today, 75 per cent or 80 per cent of the best five years' earnings would be necessary. It just is not possible for the social security system to be used as a retirement plan.

It has been pointed out that some of our senior citizens still have families to support, so I should like the minister to reconsider this whole question of the mandatory cut-off at age 65. Some people are not in any difficulty when they reach age 65, but there is another group of people who are, and after a lifetime of struggle in the labour force—many of them started work at 14 years of age—it seems to me we could be a little more generous without abusing the principle of insurance for people in this age category.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to say a few words on the motions proposed by the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Hamilton West (Mr. Alexander). I think the Unemployment Insurance Commission is making a mistake in trying to cut back on the cost of the plan by eliminating senior citizens. They say that these older people have a better pension plan than in the past, that the Canada pension is indexed, there is old age security and the guaranteed income supplement, and all these plans are new and better than they were years ago. I hope to persuade the more progressive members on the other side of the House, and some who are not so progressive—like the hon. member for Vancouver East (Mr. Lee)—that even someone who is getting the maximum benefits of the CPP, the OAS and GIS is getting only approximately $3,000 a year. This means that many people over 65 have to work whether they want to or not. The pension plan is not sufficient to provide them with the necessities of life.

I know many old age pensioners, my own family amongst them, where one spouse is a lot older than the other and therefore the pensioner has to work to make an income for his family. He cannot possibly retire on the basic OAS, GIS or CPP with a spouse under age 65. If he has to work, why should he not participate in the unemployment insurance scheme? He is more likely to be unemployed, if an industry is cutting back, than someone over 65, so why should he not be able to draw benefits from the unemployment insurance plan?

Some members have already pointed out that many old age pensioners have dependent children. The hon. member for Nickel Belt (Mr. Rodriguez) mentioned that when the Prime Minister (Mr. Trudeau) becomes an old age pensioner he will still have dependants, but obviously he is not going to live in poverty. The Prime Minister will not need to work to support his family once he reaches the old age pension age. But there are many people in my riding and across the country who are over 65 and still supporting kids in elementary school and high school. Their children are not even in university. Why should not such people, in a free, democratic society, be given the right to participate in the unemployment insurance plan like other workers? Once they reach the age of 65 they may need the protection of the plan much more than many younger workers.

● (1550)

In my riding an immigrant came from Czechoslovakia. He came to see me a couple of times to explain that he cannot draw the old age pension in this country until he

has lived here for ten years. He told me that he does not possess many skills, that the kinds of jobs he finds lead to frequent periods of unemployment lasting two, three or even four months. He explained that he is not lazy, not trying to abuse anyone, not trying to rip off the system. He is in good health and willing to work beyond age 65 or 70 at a labouring job. He does not want hand-outs. He said that he will not qualify for a pension in this country until he reaches the age of 70 or has been here ten years. He thinks this is unfair. Since he is forced to work, he thinks it is only democratic, fair and liberal—in the small "l" sense—that he should qualify for unemployment insurance. Otherwise, what will he do? He must go to the welfare office to collect welfare, which he does not want to do because it offends his philosophy, sense of decency and pride. People like this will be left unprotected. In 1974, I believe, 170,000 members of the work force were between the age of 65 and 69. They did not take advantage of the unemployment insurance fund. I understand that only a representative number of those people collected UIC benefits last year. Why should we discriminate against those people on the ground that we want to save money for the Unemployment Insurance Commission?

Hon. members fail to realize something else. Many of them say that we have in this country so many good, private contributory insurance plans with generous pay-out provisions that we can tighten the belt in other areas. Mr. Speaker, under 40 per cent of our people are covered by contributory pension plans. Many who do not have the advantage of such pension plans cannot afford to live on the old age pension or on the small pay-outs from the Canada Pension Plan. Therefore, they must work. If they must work, why cannot they be given the right available to all other Canadian workers to make contributions to the unemployment insurance plan and guard against the possibility of some day being laid off or losing their jobs?

The measure before the House discriminates against senior citizens, against those who laid the very foundations of this country and made it what it is. It will not bankrupt the government if it accepts the motion supported by the hon. member for Winnipeg North Centre and the genial hon. member for Hamilton West. If there is any meaning to those great Liberal phrases, "participatory democracy," the "just society" and involving all the people, I think hon. members opposite should be prepared to stand in this House and demonstrate their individuality and liberalism by voting in favour of the motion before us which seeks to remove the discrimination against the elderly.

I look across the way and note the presence of the hon. member from Toronto, a great Liberal, the hon. member for Laprairie (Mr. Watson), the hon. member for Vancouver East (Mr. Lee), and several others. I know if the whips did not crack their whips so hard, those hon. members opposite would be disposed to vote in favour of the motion brought forward by the two hon. members alluded to. Hon. members opposite know that the Unemployment Insurance Act as proposed by the government will discriminate against many of their constituents. I see the hon. member for Vancouver East scratching his head. I suggest hon. members opposite can show Canadians they are Liberals with guts if they support our motion calling for the amending of these clauses being proposed by the minister. Since I am confident that this will happen, I shall resume my seat and expect hon. members to rise to indicate support for this sensible motion.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I assured the hon. member for Winnipeg North Centre (Mr. Knowles) privately that I would rise in this part of the debate on this motion. He publicly tried to goad me into rising, but I assure him that I wanted to rise. However, I intend to be brief.

Mr. Knowles (Winnipeg North Centre): Because there is so little to say.

Mr. Andras: I do not in any way deny the sensitivity, concern and emotionalism surrounding this issue. It was evident particularly, too, with one other amendment introduced concerning the dependency rate. Many speeches were made on the subject in the six-day debate on second reading and, indeed, in the many sittings of the committee, as well as on motions 1 and 2 and on the one now before us. I cannot produce for hon. members new versions of my thinking on the subject, but I think it important to put my views on record in this part of the debate.

I say, frankly, that this motion, and the necessity for the present adjustment and rationalization of an insurance plan and the dependency rate amendment gives me and my colleagues no joy. We believe it is our responsibility to do this, but it falls heavily on us and we take no joy in it. We think it is necessary, particularly in these days when we note that even in this fortunate country our resources are not infinite, are not totally unlimited, and that there is always the necessity to allocate properly, through proper channels.

The principle was established some time ago that there would be an age at which unemployment premiums would no longer be payable, nor benefits payable when there was an interruption of earnings on the part of an individual. In 1971 we established that age as 70, and the arguments made against any arbitrary—if you wish to call it that—limitation or threshold of age in the present debate could probably have been made against the decision reached in 1971. I note, from examining the record of debates at that time, that there was some discussion about making that age 65 years rather than 70. There was, however, concern that the Canada Pension Plan would not mature until 1976. I think it takes no great stretching of the imagination to suggest that the implication of those discussions was that this issue should be reviewed and discussed again, which is what is happening now.

We are proposing that 65 years should be the age at which some measures which now come into effect at age 70 should come into effect under Bill C-69. Indeed, for whatever reason, 65 years has now become the age at which programs provided by public institutions in Canada, provincial governments and other bodies, become effective. At that age there is, so to speak, a converging of support measures specially provided for people reaching the later stage of their lives.

Mr. Knowles (Winnipeg North Centre): Come, come.

Mr. Andras: We find, for example, that the Canada Pension Plan was designed for people in that age group—

Mr. Knowles (Winnipeg North Centre): Come, come.

Mr. Andras: I do not say that all these people have lost their energy, ability or competence. That is not the issue which I am arguing.

Mr. Nystrom: And they are not all in the Senate.

Mr. Andras: However, 65 years is the age at which we find a convergence of some programs specifically designed for the benefit of those whose desire to continue in active work is tapering off. We recognize that that is the age with respect to which society is prepared to make special efforts, particularly in terms of financial support. For example, we have the Canada Pension Plan, revised this year. It is available now, without a means test, at age 65. We have old age security, which is basic support for all and a universal plan. We have the guaranteed income supplement. We have, of course, moved to assist in terms of some support, recognizing spouses of people aged 65 provided those spouses are 60 or over. There are tax exemptions, too, that have been made available especially at that age. Indeed, some of our housing programs also recognize that that is the age at which special housing assistance should become available.

● (1600)

One can argue that there needs to be more basic support programs in terms of amounts made available to what we call, for want of a better expression, perhaps, senior citizens. However, it is not inconsequential, the totality of the funding that has been invested to provide for this group of people and the tremendous increase in that funding over the years, particularly since 1971. Many members have put on the record the individual monthly incomes available through the Canadian Pension Plan, old age security, guaranteed income supplement and the like. However, in this sense of responsibility of allocation of what are, even in this country, limited resources requiring proper allocation, it is important to put on the record the magnitude of that assistance. In 1971 the expenditures under the old age security, guaranteed income supplement and Canada Pension Plan retirement programs totalled $2.267 billion. In 1975, those expenditures are expected to reach $4.315 billion, including the cost of benefits under the new spouses allowance program. That is an increase in expenditures, over four years, of over $2 billion a year, an increase in current dollars of some 90 per cent.

It can be argued that on the basis of the maximum combined old age security, guaranteed income supplement and Canada Pension Plan being $150 monthly in 1971, this has gone to something like $285 or $286 a month in 1975 with a further increase due in January. You can look at the individual payment and say it still requires bolstering. I would not say nay to that, but $2 billion or a 90 per cent increase in those government pension plans triggered at age 65 should cause us to ask whether the unemployment insurance program, which is not designed to supplement retirement, is the place to be further bolstering such a supplementation. We do have, as I indicated on other occasions, some other difficulties in this particular category.

My honourable and very respected friend, the hon. member for Davenport (Mr. Caccia), indicated—and this view is shared by others—that perhaps we should get at this problem administratively. The question of administrative difficulties is not the only reason we made the decision to place this amendment before the House. That is not to say that this is not an area of very great difficulty. Labour force surveys by Statistics Canada calculate the number of unemployed. By extrapolation, we see that the average number of unemployed persons 65 years of age and over at the end of every month of 1974 was a little in excess of 7,000. We also note that the average number of claimants drawing unemployment insurance at the end of those months in 1974 was in fact 17,500.

Hon. members can say that the administration should be tightened up. There is a bit of ambivalence, an almost schizophrenic reaction on this point from some parts of the House. They say we are already being discriminatory in the benefit control operation but they are now also saying to the commission that they really should get tougher. People of this age already attract one of the highest disentitlement rates. That indicates there has been a firm approach to it. The suggestion that we do this adminstratively and separate the 7,000 from the 17,500 can certainly only imply that we have to get a good deal tougher. But that is not the only reason for amendment. It is the combination of several considerations and the need for rationalization of our programs—a word I sometimes deplore but it gives the meaning I have to convey—that is the rationalization, not in any insensitive way but I firmly believe that we must preserve resources so that we can allocate them through the proper programs and in the proper manner.

At this stage, for whatever reason, we have collectively, as a society, decided that 65 is the significant age at which the special assistance programs are triggered. That, then, is the age that we should look at when switching allocations from one program to the other. I might say that a $2 billion increase in government pensions over the last four years is not insignificant.

I respect the arguments presented, which stem to a great extent, from an emotional response to this age group which we all share. We know that $2,800 or $3,000 pension per year is not a great deal. It is argued that people of this age should be allowed to continue in addition to take the average $2,800 of unemployment insurance after age 65 when the interruption in earnings occurs, over and above these pensions. If you want to use that argument, you must remember that at age 65 they have the Canada Pension Plan, OAS, available to them. If a man aged 64 has an interruption of earnings, he does not have that extra assistance available to him. In fact, he is totally dependent on unemployment insurance. I really think there is a slight gap in that argument.

I also think it is stretching the argument to imply that by this amendment to the Unemployment Insurance Act we are in fact having an influence or effect upon the access of people 65 years of age and older to work. It does not have anything to do with their ability or access to work if work is available to them and they want to continue to work. Nothing in this amendment prevents them from continuing to work. We have been over this ground many times. I say, again, this is a rather joyless necessity and responsibility. Nevertheless, I believe at this stage it is a proper step to take.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I do not intend to detain the House, but I do want to register my support of this motion and to say that I think clause 10 of the bill, which excludes persons 65 years of age and over from the benefits of the Unemployment Insurance Act, is both a reprehensible and retrograde step. I could not help but feel, while the Minister of Manpower and Immigration (Mr. Andras) was speaking, that for one who is usually so cogent in his presentation of an argument, he was today half-hearted. I thought his heart really was not in the arguments he was putting forth. I listened with great interest and I know the minister is a man of great human sympathy; however, I felt it was almost an apology rather than an advocacy of a position which the government has taken.

● (1610)

It seems to me that there can be only two reasons for excluding persons 65 years of age and over from the benefits of the Unemployment Insurance Act. The first is to save money. The minister hinted as much when he said that, after all, this country had limited financial resources, we could not do everything and somewhere we had to draw the line. I am not sure this will save the government any money. If a person can keep on working in the knowledge that unemployment insurance is available to him or her, the government are not called upon to pay that individual the guaranteed income supplement or to pay any welfare under the Canada assistance plan, so I am not sure that on the trade-off the government will save any money. But even if this provision does save money, I question that we want to save money by discriminating against a group of people who have spent a good part of their lives working and paying into the unemployment insurance fund and who at 65 find that, if they continue to work, the benefits of the plan will not be available to them.

The other reason for the legislation is that the government has decided to use the unemployment insurance program as a means of requiring or virtually compelling people to retire from work at 65 or face the penalty of being excluded from the unemployment insurance program. I am one person who has always wanted to see Canada have the kind of social security program that will enable people to retire at 65 if they want to. I agree with the minister that in the last number of years we have built up a fair measure of public support to make it easier for people to retire at 65. But the fact is that, while we want people to retire at 65, I would strongly object to our using measures that compel them to retire at 65. The hon. member across the way seems to be disturbed about something.

Mr. Duquet: I was talking to another hon. member. I would not dare talk to you.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The hon. member was not talking at all, but gesticulating, and I was not sure whether he wanted to leave the room. I will give him permission, but he should ask the Speaker if he wants to leave the room. The point I was making was that, while it is desirable to make it possible for people to retire at 65 so they can follow hobbies and other avocations they enjoy in their retirement years, it is a totally different thing to say that if they do not withdraw from the labour force they will be penalized.

It seems to me there are two classes of people that will be hit by this provision. First of all, there are those who cannot afford to retire at 65 from the labour force. It is true, as the minister has said, that they can get the Canada pension and old age security. If the spouse is over 60, then under the new provisions she will get financial assistance. But there are a great many people in the labour force today earning low wages, who have fairly large families, who have not been able to buy a house and who still have to pay high rent. These people cannot afford to drop out of the labour force. We will be saying to these people that if they continue to work they will not have any of the security, in times of periodic unemployment, that persons under 65 are able to enjoy.

I point out to the minister that in my constituency, for instance, men working in the lumber industry and in the forestry industries do seasonal work. They may be out of work for six or eight weeks when the snow closes up the logging camps. For this period of time this legislation will mean for them that they have no revenue at all from the unemployment insurance fund, despite the fact that they have paid into it for years. On the other hand, another individual who is two years younger will receive unemployment insurance. Both these people will go back to work when the logging camps reopen, one having had the benefit of unemployment insurance, the other not. I think this is a reprehensible discrimination against one group of individuals compared to another.

The second group of people that will be affected are those who do not want to retire because they have no particular hobby they want to follow and they are anxious to keep on working. Clause 10 of the bill will penalize these people. In a good many countries elderly people are encouraged to work. For instance, in Great Britain some of the factories now are hiring retired people for four hours a day. They have one shift in the forenoon and another in the afternoon. Their productivity has been comparable to that of workers of a younger age, and they have found that the psychotherapy that results has been excellent. Many of these people, Mr. Speaker, have worked all their lives: they have not learned how to play golf or to do any of the things people usually do when they retire. The fact that they have four hours of work a day and a little extra pay coming in means a great deal to them.

I took a group of people to Sweden some years ago and we spent a long time studying the labour market system in that country. They are training workers of 63, 64 and 65 years of age in new skills and encouraging them to stay at work because of the value not only to the economy but to themselves. As I have said, I am all for making it possible for people to retire early if they want to do so, so they can play and enjoy some of the leisure they have not had in their working years. But if people want to work or, more importantly, need to work in order to get sufficient income to maintain a decent standard of living, surely we ought not to penalize them.

The minister says there is nothing in this legislation that prevents them from continuing to work. No, Mr. Speaker, there is nothing to prevent them from continuing to work, but they continue to work knowing perfectly well that if

they, like many other Canadians, are doing seasonal work, so that periodically they are out of work for a month or two during the winter, they are not going to get any unemployment insurance benefits during such period.

I think the government is making a very serious mistake in putting this provision in the bill. I hope that even at this late date the minister can persuade his colleagues—I have the feeling I do not need to persuade the minister—to agree to withdraw clause 10 from the bill so that we may continue, as we have in the past, to allow people over 65, if they wish, to carry on working and to enjoy the benefits of the unemployment insurance program. If they do not want to work and if the social security measures we have provided are adequate for them to retire, then I would be very happy to see them retire. But I do not think that in a free society we should do everything we can to encourage people who want to continue in the labour force and earn an income, at the same time enjoying the benefits of the unemployment insurance program to which many of them have contributed for a great many years.

● (1620)

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): The question is on motion No. 11 in the name of the hon. member for Hamilton West (Mr. Alexander), and motion No. 12 in the name of the hon. member for Winnipeg North Centre (Mr. Knowles). Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Pursuant to section (11) of Standing Order 75, the recorded division on the proposed motion stands deferred.

Mr. Arnold Peters (Timiskaming) moved:

Motion No. 16.

That Bill C-69, an Act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 16.

He said: Mr. Speaker, after listening to the remarks of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), it seemed to me that the minister did not really give any leadership to his colleagues who went along with this usual practice. This makes one wonder if there is really any point in discussing anything about this bill, because members do not have to listen or pay attention—all they have to do is vote. It makes me wonder if we all come from the same country.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

I have one extra person in my office for the simple reason that I have to handle all unemployment insurance matters in my area. If I did not have these problems I would not need that extra person. I am sure there are other members in this House who have the same situation, and if they intend to be around here again they had better pay attention to these problems. There are many areas in this country with as much unemployment as in my area, yet the representatives sit here complacently, dispassionately following this usual practice. I am becoming convinced that I should be making this argument to those nabobs in the gallery, because obviously the minister did not contribute much input in respect of the last motion. He expressed his sympathy and realized that the arguments he was putting up were not very good.

Mr. Andras: Not at all.

Mr. Peters: He indicated there was not really much money going to old age pensioners; and particularly in the northern climate where the people have to pay higher heating bills during the wintertime it is not much money. There is not much left over if they are living only on old age pensions and do not hold down part-time jobs. This is one of the serious complaints we receive.

It may be that we should not waste time passing bills here in this House, but putting the Unemployment Insurance Commission in a position to make its own regulations. Then if those people found anything developing which they did not like, they could make another regulation to cover the situation. This would solve a lot of problem. It would certainly solve a lot of my problems, as a member from an area where there is considerable unemployment. Apparently that is not true of many other people here, because nobody seems to pay much attention or to take much interest in this measure we are now discussing.

Many people have been disqualified on the basis that they have quit their jobs. Very often when they have written to me explaining why they quit, and I related that reason to officials of the district office, followed by an investigation, they have been reinstated. This is not the exception; it is becoming, in the main, the rule. When they write in and give me an explanation of why they left their employment and I pass that explanation on, they are, more often than not, reinstated.

One thing being said by many ordinary people not involved with unemployment insurance is that an individual can work for a certain length of time, then quit, sit back for the three-weeks' disqualification period and the two-weeks' waiting period, and then draw benefits indefinitely. That is not true. If the conditions I have outlined do exist, these people are on a limited benefit period and do not draw benefits indefinitely. It is not possible to work for eight weeks, then quit and draw benefits indefinitely. Those hon. members here who represent people who believe this is the situation are also those members who supported and voted for the idea that it was possible to bring these people back into the labour force by imposing a disqualification period. I suggest it is to their advantage to draw the eight weeks' benefits, suffering the small disqualification penalty which amounts to no more than a small fine.

Those who will support this recommendation are also those who supported the suggestion that a sponsor of a LIP program who designates his own work project should be entitled to qualify. In my opinion, these are the people who are able to set themselves up for a benefit period because they can initiate a program for a certain length of time by manipulating the size of the program, the number of people involved and thereby the duration. They are going to be entitled to benefits and nobody seems to worry a bit about that. In this case, the people can dictate the circumstances and set the duration of the project and even, in some cases, the amount of benefit to be paid.

Many of the people sponsoring these LIP programs will only be in the labour force for a short period of time. Many of the other people who are disqualified have good reason for quitting their jobs. Let me tell you about one case that came to my attention not long ago. A young fellow had what I thought was a fairly good construction job. I did not have much sympathy for him when he told me he had quit his employment. He was working out of town, making pretty good money, but he quit and returned home where there was no employment available. As I am sure most hon. members would do, I asked him why he quit his job. I was quite surprised by the reason he gave. He was working as a helper to a rigger on a high steel construction job and the rigger kept telling him that if he did not speed up and do this thing or that thing, he was going to throw him off.

He put up with this for two or three days until his nerves got the better of him to the point that he could not sleep at night. He started to feel that if the rigger did not throw him off, he was going to fall off. I asked him why he did not report this to the boss and he told me that he would have been fired anyway. He said it was that man's word against his and the rigger would be believed. I do not know whether he was honest, and I do not know whether the UIC officers might have felt he was honest. I felt this man should have appealed to someone on the job site to justify leaving his employment. However, he did not do so. Perhaps he could not. Construction jobs being what they are, the people involved are fairly tough when it comes to someone reporting on someone else. It is the kind of a job where, for one's own safety, one must get on with the people with whom one works because an accident might happen and no one would know whether or not it was an accident.

● (1630)

This person actually indicated he was afraid he would fall off or be pushed off. But he liked the job. He was willing to do that work or any other kind of work because he needed a job and his parents would not keep him. I do not know how one would assess this any more than one would assess the situation in respect of the waitress who keeps getting propositioned. Before she completes her probation period in the restaurant, she either goes out with the boss or is not accepted as a permanent employee. She may quit, and if so, how does she prove the situation that existed? I always believe what women tell us, so I would believe her.

The hon. lady opposite says that we need more female restaurant entrepreneurs. I agree. We continually hear about such cases. I might give another example. A man reported to me that he quit his job driving a truck because the truck he was driving had defective brakes and his boss did not want to have them repaired. He said he reported this to the boss, who told him to either drive the truck or quit. He reported it to the office of the Department of Transport but nothing was done about it. I did not believe him because I do not think a person owning a $10,000 or $12,000 truck would operate it with defective brakes if he knew this to be the case.

An hon. Member: He must have been a Liberal.

Mr. Peters: Under those circumstances, an NDP'er would fix the brakes before he sent the driver out with the truck. I made inquiries throughout the community. One thing that impressed me was the turnover of workers at that company. I spoke to people who said that the brakes may not have been completely gone, but that they were substandard and that all the equipment of this company was substandard.

I have given three examples of a person being fired who had difficulty proving the reason. I think these are legitimate cases. The minister will talk about the appeal procedure, and so on. It is not worth a damn. Everybody knowns that. I do not think there is much difference, in respect of the tribunal, between the employer representative, the union representative or the labour representative. I do not know where these people are found. They are carried away with their own importance.

The hon. member for Nickel Belt (Mr. Rodriguez) is a little closer to these people than I am. Sometime ago I learned more about the appeal procedure than I had known previously. The hon. member for Nickel Belt spoke in very strong language to the members of the tribunal, It was interesting to note that of the 13 cases being considered at that time, the district director examined 12 of them and reinstated them after they had been turned down by the tribunal. I may be unfair to some people. I am speaking very generally. I am not referring to the particular representative of the hon. member for Nickel Belt, because quite often my representative is the same one.

When the hon. member for Nickel Belt raises hell, they start putting a "no" on it and it is not necessary to go to the umpire. A reference to the umpire should not be undertaken in respect of anything except an interpretation of the act. In my opinion, this should not be undertaken unless it is a matter of an appeal in substance rather than in respect of a specific case. What does this section say? It says that instead of penalizing the person, often wrongly, for three weeks, he will now be penalized for up to six weeks. There is mention of one week and up to three weeks, or from one week to six weeks. I shall bow to the superior knowledge in this field of the hon. member for Nickel Belt because I have not played around with that tribunal.

An hon. Member: What do you play around with?

Mr. Peters: I play around with the operations within the offices. Let me say to the minister, and to the hon. member who probably knows nothing about the subject at all, that my experience is that if the information is provided to the officials at the local offices, almost inevitably the correct decision will be made on the information given. If the information is not complete or is incorrect, then when it goes to the tribunal there is no new information. The hon.

member may not be involved in this in his area because his constituents in Mississauga have cars and can drive a short distance down to the unemployment insurance office and make the appeal themselves. They can speak to the people in the office.

In my area, or in the minister's area, sometimes these people must drive 300 or 400 miles. Then when they get there, quite often they do not know what to say because the hearing is similar to a court hearing and they have not had any experience with courts. They do not know how to present their case. I deal mainly with the officials. I find that if they are given the information, they check it out and then make the decision. There is no need to go to the tribunal. My experience is that if they do not make the change on the information I have given them, then the tribunal will not make the change either, because it would be making the decision on the same information the officials had. I am pleased to give that explanation to the hon. member for Mississauga.

An hon. Member: "Mississauga."

Mr. Peters: I come from an area where we pronounce Indian names in the Indian fashion. We have not totally Canadianized them. It seems to me that the penalty being paid is a sizeable penalty with the three weeks. The point I started out to make is that I have not had any experience that would indicate to me there is a discretionary power in respect of the one week and the three weeks. Perhaps there is. Perhaps sometimes that is a fact, but I do not know of any case of disqualification where the person was told that for such and such an infraction he was disqualified under such and such a section of the act. I do not remember ever seeing two weeks or one week mentioned. Perhaps the hon. member for Nickel Belt, who has seen all the documentation on adjudications, may have seen such cases, but I have not. We are really talking about three weeks and six weeks, not about a period between one week and three weeks or one week and six weeks. We are talking about the maximum disqualification which to my knowledge has always applied. I have not seen any discretionary powers used in these cases.

● (1640)

Mr. Andras: The average has been 1.7 weeks.

Mr. Peters: I have never yet seen a letter stating that a disqualification was for less than three weeks. In most cases the two sections were included so that the total amount applied. Perhaps more problems occur in my area than in any other area, but I do not think so. I think the information with which the minister has been provided could be separated into two parts: the urban operation of UIC and the pseudo-rural operation which occurs in both our areas.

Mr. Andras: I thought you would say the information was either right or wrong.

Mr. Peters: Honestly, I have never seen a disqualification for less than the maximum time, and it comes in a form letter typed on an electric typewriter on which perhaps you can push a key telling you the disqualification time. I think these disqualifications are unfair and that in the case of a person moving from one job to another reasons can be given for disqualifying him. It has been my experience with one of the UIC offices that if a person is moved to another location, say a husband is transferred from one region to another in his job and his wife has to follow him, she has to terminate her employment, a move which is considered as quitting for no just cause and the three-week disqualification is applied in her case.

We have argued these cases on a number of occasions and we won them but, as I have said, almost automatically the three-week disqualification is applied, which is then questioned, under some circumstances with successful results. Usually, officials at UIC are shocked when they are told they are helping to break up families and that their decisions lead to social disruption in the community when wife and husband are separated. Normally they agree that the husband has precedence—I suppose this does not fit in with women's lib—and if the wife follows the husband for the sake of maintaining the family as a unit, she should not be disqualified for having left her job without just reason. In almost every case I have had coming from one UIC office they are automatically disqualified for three weeks every time that type of circumstance arises.

We are not really facing the major problem. There are people who move into areas where there is no work for them, work for which they are trained. In my opinion, they do so to get out of the labour force and be eligible for unemployment insurance benefits in the new location. In my opinion, such people should be prosecuted because somewhere along the line they must have made dishonest statements as to whether or not they were looking for work which would normally be available in the area to which they were going. These are the cases which benefit control almost always picks out. Most people who are involved in the UIC day to day operations would agree that the abuses which are taking place should be stopped and that certainly something should be done to stop the fraud that sometimes takes place.

I should like to say a few words about the provision which would make the sponsors of LIP and LEAP projects eligible for benefits. I am reminded of one of the municipalities in my riding which decided to provide eight weeks work for all the unemployables in the area. If they got the work, they would not be drawing welfare from the municipality, and at the end of the work they would be eligible for unemployment insurance, which would take care of probably half the welfare they were getting previously. I consider that to be fraud also. It is dishonest and surely those people know it. That practice should be discontinued.

I may be wrong, but perhaps these cases in my area are treated differently from similar cases in other areas. But I doubt it, because if they move me any farther after the next election I will be dealing with some people who are now in the minister's area. My friend suggests that I should discuss this with the UIC officials. We have had considerable success in dealing with them. I have found them to be very reasonable, but they must operate within the act, and what we are doing now is changing the act. In changing the act we are not allowing them to use their judgment; we are making certain things mandatory.

I am quite sure that good judgment is not always used in certain cases of disqualifications—and I think other hon. members will agree with me—such as when there is some doubt about the reason for a person having left his job. For example, a person may find it too hard to do the work. This happens in mines, in bush operations and even in restaurants. The day comes when one's feet are too flat, the floors are too hard, or the dishes too heavy and work becomes unbearable, so one leaves. Then there is the question of whether you had a sufficiently good reason for leaving the job, if you were not sick or incapacitated in some manner.

If you argue that case, the disqualification period should run from one week to six weeks, depending on the case the claimant made. There should be some leeway. In my opinion, the decision should not be the length of time the claimant should be disqualified, but whether his claim should be accepted or rejected. It should be either the maximum penalty or no penalty. It is black or white; there is no grey. You either win the case, or you lose it. Quite often, because of his inability to fight the case, the claimant loses it. I have made many statements about the number of people who were fully disqualified in my area. I have also said that the period of their disqualification has always been the maximum period, which does not coincide with the information reported to the minister by his officials. I should like to make it very clear that these are the 8 per cent or 10 per cent of the cases which are handled by those offices. We only hear about the bad ones. We do not hear about them before the end of six weeks. If I hear about them they have gone beyond the end of six weeks. If there is a case of disqualification, it is the three-week disqualification.

● (1650)

If people are able to go into the office, argue and get half of that—a week and a half, which the minister says is the average—they would probably feel quite satisfied and would not write to me saying they were disqualified, abused and should not have been disqualified. I can only go by my experience because I have no way of checking the actual figures. I would not believe them if they were given to me, because they totally disagree with my experience. I do not trust figures very much, in any event. I am told that the rate of unemployment is only 7 per cent. The rate is 100 per cent for the person who is unemployed.

My understanding of the act is very limited. My experience is with appeals only. I never have anything to do with the initial presentation of a case. When disqualification occurs, I deal with the person who is not satisfied. He feels he has not received justice and appeals to me. It may well be that there are more lenient people in some of the other offices, and it may be that they give people a week and a half or a week instead of three weeks. I am sure I am right, because I was more often here when we changed the Unemployment Insurance Act than most members. I think I have probably participated five times in major changes in the act, and in every case the fears I had about the changes came to pass. I foresee not a three-week disqualification from now on, but always a six-week disqualification. It may well be that it is only because I am part of the appeal structure, but surely some hon. members have had the same experience as I have.

Those who win do not come to us telling us how successful they were and that they only had to have a one-week disqualification when originally they had to have a three-week disqualification. The only time they come to us is when they are not satisfied, or when they have been badly treated. I suggest that from now on it will be six weeks instead of three weeks, and if any hon. member is that remote from his constituents, he should not bother wasting his time sitting here, because he will not be re-elected. If he does not handle his appeals where there is no other appeal procedure, he can only hope that this parliament goes on until he has been here six years, because then he can qualify for retirement pension.

All hon. members, I am sure, are faced with bad UIC cases—and there are some. However, I do not agree with hon. members who feel that there has been unfair treatment by senior officials of UIC or officials of their district offices. There are many complaints and many problems. We have had problems with regard to disqualification. But there must be two sides to everything, and I am certainly not one who always agrees that the worker should have the final word or that his case is always right. The worker's interpretation is what he wants it to be, and often employers have their interpretation as well. An employer will not admit that he fired a girl because every time he tried to pinch her, she said no. He will say that she was not suitable. The employer is going to show himself in the best light. If he says that he fired the employee because of her incompetence, or for unsafe practices, that is a justifiable dismissal. However, the employee may have a totally different viewpoint. The commission, of course, must consider both sides. There are occasions when the stories are in agreement because of collusion. These are cases which the system is really not capable of handling, and our structure is not able to deal with them.

I urge that hon. members consider their own experience and decide for themselves, regardless of party. I urge them to look honestly at the problems which have developed and which come to them through their constituency offices or their offices here, and ascertain whether abuses which have occurred or whether the penalties which have been applied under the three weeks' disqualification have been marginal. Some of these hon. members have been able to argue successfully. The fault has not always been with the claimant or with the employer. It this penalty must be applied to prevent abuses by people quitting their jobs without just cause, I wonder what advantage there would be in applying double the penalty without being able to solve the problem itself.

I know there are abuses; I know there have been abuses. But by doubling the penalty in this case the minister is attempting to satisfy those hon. members who profess to be for law and order and is using opportunity to penalize someone who may not meet their criteria. I suggest that doubling the penalty in this case will not do much good. I see no justification for increasing this from three weeks to six weeks. I have not been in the committee to follow the discussions there. The discussions are very hard to follow because they flit from sections of the act to clauses of the bill, back and forth. I have not been able to ascertain any justification for the increase in penalty, other than to reduce the cost of the plan.

In my opinion, there is an easy way to get rid of the abuses and the cost of the unemployment insurance program, and that is for this government to quit playing games with our unemployed and to bring in employment measures which will provide full employment. This act was designed to operate at a maximum rate of 4 per cent unemployment. In its generosity, the government agreed to pick up the premiums beyond that; but only for two months, I think, since 1971 has this plan ever operated at what was considered to be the maximum level of unemployment anticipated. Rather than increasing the penalties for those unfortunate persons who are out of work, this government should be instituting employment programs.

● (1700)

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I will just take a few moments to say that we reject this motion. My friend indicates this time, as he did last time, that he does not understand the decision. I would refer him once again to the paper that was supplied to hon. members to assist them in determining whether to accept the minister's position with respect to another amendment. For the hon. member's edification, I refer to the paper that I quoted from yesterday which gave the information that the minister and his officials have accumulated since 1971. The last paragraph on page 2 reads:

> Evidence accumulated since 1971 indicates that the three-week disqualification has not been achieving its objective of minimizing the extent to which claimants voluntarily terminate their employment without just cause, are discharged for misconduct, or refuse suitable employment.

An hon. Member: Oh, come on, that is not complete.

Mr. Peters: That is like hanging everybody because somebody got their purse snatched in the park.

Mr. Alexander: Mr. Speaker, I sat here listening to my hon. friend and never said a word while he went on for 20 minutes and said zilch. I have been up for a minute and a half. But I will not be distracted. I do not want to take the time of this House; I want to get the bill passed. I want to make a couple of points, however. We on this side of the House, and particularly members to the immediate left, are always looking for disincentives. The socialists dislike that word. Now we have found another disincentive, the three-week disqualification period.

If the hon. member for Timiskaming (Mr. Peters) had had the opportunity—notice how kind I am—of attending the hearings of the Standing Committee on Labour, Manpower and Immigration, he would have had the benefit of the advice of Mr. Chafe who is a member of the Canadian Labour Congress. In issue No. 23 of the proceedings for November 20, at page 23:10 Mr. Chafe said:

> I do not think we would argue very strongly about whether it was one to six weeks or one to two weeks. The problem lies in the fact that, before that disqualification is attached to a claim and before it ensues, the claimant should be given a better opportunity to make his case to the insurance officer or to some agency in the commission.

At page 23:11 he said:

> Mr. Alexander, we may have a question of a technical draft or something, but the suggestion I would put forward immediately is that the committee might recommend a change in that amendment that will build into it the feature that claimants, faced with disqualification under these sections, would first be given the opportunity to put their case before the commission, before the insurance officer actually applies the disqualification.

In other words, he was not too worried. He was worried about the appeal procedure, however, and this is where I would ask the minister to focus his attention. I should like to refer to issue No. 27 of the proceedings of the same committee. I respect the minister and I know that he has a lot of information that I do not have, so I ask questions in order to find out what he has. I was concerned about this sort of thing, about whether we were dealing with a disincentive or not. In the proceedings for December 2, at page 27:11 I asked the minister:

> In other words, the section as it was, is a disincentive. You have accepted that, therefore you are attempting to tighten it up. Do you agree with all that, sir?
>
> MR. ANDRAS (PORT ARTHUR): That is correct.
>
> MR. ALEXANDER: Thank you.
>
> THE CHAIRMAN: Mrs. Appolloni.
>
> MR. ANDRAS (PORT ARTHUR): There is only one comment, Mr. Alexander. I would not want to accept the broad condemnation, or the implied condemnation of the UIC as the general disincentive. I said there were some disincentives in the act, this being one of them.

Mr. Speaker, I do not want to take up any more of the time of the House.

Some hon. Members: Hear, hear!

Mr. Alexander: At least I am more responsible than some of the people to my left and all the nonsense they come up with. Let me end without getting caught up in that nonsense. We have said that the Canadian people are looking for the removal of disincentives. They found one in the three-week advance, and we removed that. We hope that will satisfy some of us who are extremely concerned about the direction the act is going. We found another disincentive, and we are removing it. As a result, I have no hesitation in saying that we do not intend to support the hon. member's motion.

Mr. Lorne Nystrom (Yorkton-Melville): The hon. member for Hamilton West (Mr. Alexander) spoke about disincentives, Mr. Speaker. I wonder why it is always a disincentive when some poor person is getting hit. Why is it not a disincentive when wealthy people are getting hand-outs or subsidies? Rich people can write off a tax burden because of capital gains, and that is called an incentive; but if it is a poor person, it is no longer called an incentive.

I should like the hon. member for Hamilton West to visit my riding or my office. I will show him some of the disincentives on file where rural people have been disqualified because they cannot afford to drive 100 miles a day for the minimum wage or below. Is that not a disincentive? Would many wealthy people working for high salaries go to that expense? It is like Conservatives saying that free enterprise must get a contract—but free enterprise has to get a subsidy to keep going.

Mr. Epp: Like Skywest.

Mr. Nystrom: Like Skywest. I am glad the hon. member mentioned that. He wants that contract to go to a private airline. That is free enterprise on the backs of the taxpayers. No wonder those Neanderthals went in droves to

Bennett in British Columbia to support the new type of Social Credit.

Mr. Epp: Tell us about Barrett.

Mr. Nystrom: He had 40 per cent of the vote in British Columbia, and you had 4 per cent. Mr. Speaker, if you could get those Social Crediters to quieten down, I would like to come to my point. This motion deals with something that the hon. member for Hamilton West has made me rather angry about. It is about people who might refuse employment without just cause. I have some grievance with the UIC office, and I am glad the minister is here because I have written him many times about the way UIC discriminates against rural people in. The hon. member for Skeena (Mrs. Campagnolo) and members from many other rural areas know what I mean. I know of many cases where someone has been turned down because the UIC did not think they were searching for a job or because they were rural people, and I can give examples.

There is the case of a lady in Balcarres, 50 miles from Regina. She used to live in Regina but went to Balcarres because of her husband's employment. She was unemployed, and applied for UIC while looking for a job. She said, "I am willing to look for a job in Balcarres. I am willing to work at almost anything." But they turned her down. They said that she was limiting herself in terms of where she would go for a job. She could not afford to go to Regina, which would have meant driving 50 miles each way, or 100 miles a day on the round trip. The couple had one car, kids and babysitting expenses. She was willing to look for work in Balcarres or in the immediate, surrounding area. There are towns and villages in that area. But she was disqualified because she was living in a rural area.

● (1710)

I do not think that is fair. A person who lives in Hamilton—for example, the hon. member for Hamilton West—can get on the bus or walk the streets looking for a job. In the big city, one can go by subway. You cannot do that in a rural community. It is not economically worth your while to take a job if it means driving the 100-mile round trip to Regina each day merely to earn the minimum wage or slightly more. The person in that position is discriminated against vis-à-vis the person who lives in the urban centre.

Let me mention another case in my riding. It involves a guy who lives in the little community of Langenburg, 55 miles from Yorkton. He is a labourer who works in a garage and makes little more than the minimum wage. He was laid off and willing to work at any job within a reasonable distance of his town. But the commission said, "Look, you are not willing to drive to Yorkton, which is 55 miles away, each day; therefore, you are cut off." I do not think that was fair. One can see how our present system discriminates against people in rural areas. Case after case of this type has come to my attention. I have written to the minister. I think the UIC act should make some allowance for these people. It should take into account the economic factors involved and define more clearly what is and what is not a just search for a job. It should specify circumstances in which an applicant is not limiting his ability to search for a job because of the special circumstances involved. As it is, the act discriminates against rural people.

In my riding—and I have heard many other rural members talk about this—if a person is honest when he applies to the UIC and says he cannot afford to travel 100 miles a day to and from work merely to earn $3 or $5 an hour, he is cut off in many cases from benefits from the Unemployment Insurance Commission. It says to these applicants in rural areas, "You are limiting yourself, and not really searching for a job." But if that person lies to the Unemployment Insurance Commission and says, "Yes, I am willing to look for work anywhere and work at anything, at any wage," he will obtain UIC benefits. I do not advise my constituents to lie to the Unemployment Insurance Commission, but I can tell you, Mr. Speaker, that if some of them do lie they will get benefits, and if they are honest, they will not. This sort of thing spoils a good plan. It whips up the sort of backlash that we see on the part of the more right wing Neanderthals in the House. It makes them think that the poor people are ripping off the system.

The present unemployment insurance plan discriminates against the people. Its effect is that if people lie to the Unemployment Insurance Commission, say they are willing to go anywhere for a job, to the moon, if necessary, and work for any pay, they will obtain benefits; but if they tell the truth, the commission will cut them off. It says to such people they are limiting their search for a job. I have seen this happen time and again. If any hon. member does not believe me, I invite him to my office where I can show him countless letters documenting the sort of cases I have just mentioned. Every time I go to my riding for office hours I run into people who have been cut off UIC benefits because they limited their search for a job. Possibly the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) has encountered similar situations in his riding, which is smaller than mine and much more urban.

People of any rural community encounter these difficulties. Why must we operate under a system which encourages people to be dishonest? Why can we not design a plan which will make allowances for those living in rural areas? The lack of such provision irks me. I do not want to advise my constituents to lie or cheat in order to get around the guidelines. That, often, is precisely what they must do if they want to draw unemployment insurance. This could be corrected by changing the act to take account of those special factors affecting people in rural communities. As I have said, I referred many of these cases to the minister's office. The majority—some came from my riding—concern people who had been disqualified because of improper job search or unwillingness to travel great distances to look for a job. These factors make the plan unacceptable to many members of the general public, and this must be changed.

The hon. member for Timiskaming (Mr. Peters) mentioned the case of the spouse, either male or female, who quit employment because the other partner moved to another town or city to find employment. Cases like this have arisen in my rural riding. It is not uncommon for people to move from one town in my riding to another, say from Yorkton to a small town like Kamsack or another town 30, 40 or 50 miles away. If the spouse is a housewife, say, she must quit her job and follow her husband when

her husband becomes employed elsewhere. Such spouses are cut off from benefits and may find it difficult to find another job in a small rural community. The commission expects them, in many cases, to drive 50 or 60 miles each way a day to another job.

If the minister were to curb these discriminatory aspects of the plan which work against the interests of people in rural areas, we might end much of the public backlash against this plan and not hear so many speeches on the subject by some of the more conservative members of this House. I hope the minister will comment on some of the problems rural people face. I have been aware of these difficulties in my riding for many years. I think every other rural member encounters similar difficulties. The last time I went out to my riding—

Mr. Epp: What year was that?

Mr. Nystrom: I went out a couple of weeks ago. I am not like the hon. member for Provencher (Mr. Epp) who, I am told, goes to his riding about every year.

Mr. Epp: Every week.

Mr. Nystrom: I recall that when I was last in my riding I learned of a case involving a person who had paid into the unemployment insurance plan for many years. He was a hardworking person who had worked at an unskilled job for a low salary. He lost his job through no fault of his own. Because he could not afford to drive 100 miles a day he was cut off. It was alleged he was not looking for a job seriously, that he was not really serious about driving 100 miles a day for the sake of a job. He could not afford to drive those distances. He earned little more than the minimum wage and had kids to feed and a family to look after. He could not afford to drive 100 miles a day, and was disqualified. But if he had said to the Unemployment Insurance Commission, "I am willing to go anywhere and accept any salary," he probably would have received UIC benefits. That illustrates an anomaly which ought not to exist in the Unemployment Insurance Act. I hope the minister will consider, if he replies later this afternoon, some of our representations on this subject.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, there are times when I wonder why some of those on my extreme left do not buy a one-way ticket to another jurisdiction. The system under which we live seems to suit them so badly that their only hope lies in that solution. One of those hon. members made some rare remarks with which I agree. The hon. member who spoke previously mentioned the position of rural claimants for unemployment insurance who are in a most difficult situation.

Mr. Nystrom: First you chastise me, then you agree with me.

Mr. McCain: Our present system may need a multitude of change, but it has evolved over a long period and has created a pretty good society which you, to judge by your speeches would destroy.

Some hon. Members: Hear, hear!

[Mr. Nystrom.]

Mr. McCain: The occasional appearance of sanity in the remarks you make relating to our system suggest paranoia or schizophrenia—certainly no solid groundwork for the political career you espouse.

Mr. Knowles (Winnipeg North Centre): Is the hon. member referring to you, Mr. Speaker?

Mr. McCain: People in rural communities must pool their transportation requirements. Many who work must arrange for babysitters. In some cases when they are asked to go to work they are not given enough time to arrange for a babysitter or transportation. As I say, many use transport pools. I drew the minister's attention by letter, today, to a lady whose job came to a halt but who wanted to work more. She happened to be pregnant at the time of her dismissal but needed to continue working primarily because she was pregnant. An investigator from an office arrived and discovered that she was receiving unemployment insurance while pregnant: She had, therefore, not been eligible for benefits from the beginning, and should return the entire amount received and would not be eligible for pregnancy benefits thereafter.

This is the imposition of a hardship which I am sure the minister does not support. It was brought about by virtue of the fact that on the date of her application she lived 100 miles from the decision-making office. I submit the individual who investigated could have used some judgment in respect of her need and position. Instead, he respected only the ruling which was made in head office.

• (1720)

When somebody appeals a case from 100 miles away it is extremely difficult. The unemployed person does not have the means to get to the point where he or she can appeal. My particular appeal to the minister at this moment, as we are discussing unemployment insurance, is that there be some realism injected into the administration of the act and the decision-making process of who is eligible and who is not. They should quit nitpicking and look at the realities of those located in the rural communities. These people do not have public transportation at their disposal such as is available within quite a number of miles of this House or many miles of Toronto, public transportation provided by public funds from this government and governments of other jurisdictions.

These people in rural communities must have time. They cannot be expected to go to work the moment they receive a call. They should not be asked to go to work until they have had a reasonable period of time to obtain pooled transportation and a babysitter. I beseech the minister to ask his rural, decision-making people to use judgment and to extend mercy or, if necessary, alter some of the regulations under which aid is granted under this act.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, it is always interesting to note how hon. members to my right, notably the previous speaker, castigate this party for putting forward a motion. They say they cannot support it and then turn around and raise the same kind of problem that is covered in clause 16 of the minister's amendment. They recognize the problem.

Some hon. Members: Oh, oh!

Mr. Rodriguez: There is a disincentive. Why should you stand up and argue for disincentives? Surely you think the act is good. They are phony and hypocritical: they want to suck and blow at the same time, coming out on both sides of the issue.

Clause 16 of this bill proposes to extend the period of disqualification from three to six weeks. It will, in effect, shorten a claim by six weeks. When we discussed this clause in committee I asked the minister a question. From my experience in handling unemployment insurance problems it is the appeal procedure and administration of the act which falls very heavily on the shoulders of the claimants. On Tuesday, December 2, I asked the minister the following question:

I want to know from the minister, Mr. Chairman, what provision he has in the Unemployment Insurance Commission offices to help claimants who have been hit with a three-week disqualification, and what machinery he has to help them in preparing an appeal to come before the referees.

The minister replied:

First I will make a general comment, Mr. Rodriguez. I have asked for the whole appeal system to be reviewed. Mr. Chafe and Mr. Wightman, representatives of the employee and the employer groups, are involved in that examination now, with whatever assistance they are asking for, and I think they will be able to give us a report early in the new year. And I am eager that people, particularly non-union, have a better opportunity for some form of advocacy. That is the general policy appeal system.

There it is in a nutshell. That is the reason we on this side of the House say "No" to the six-week disqualification. We do not have any objection to those who quit their jobs, refuse to look for work, or refuse to accept jobs under the same conditions, being penalized. The problem lies in the administration of the appeal procedure. In our motion we say to the minister that he should do what needs to be done first. There should be an examination of the appeal procedure and a proper advocacy system. There must first be a proper administration of the act in a wise and fair manner so that claimants get the benefit from that kind of enlightened thinking.

The minister is putting the cart before the horse. He is increasing the punishment and then, after the fact, will look at the administration of the appeal procedure and bring in changes. We in this party say that is doing it backwards. If the minister will come in with proper procedures for the administration of the act with regard to the disqualification section and proper appeal procedures, we on this side will support any increase in punishment in terms of increasing the disqualification to six weeks. This argument was made by the Canadian Labour Congress. They argued that it is the appeal procedure that creates the problem. They stated this very clearly in the brief which they presented to the committee studying this bill. I quote from the brief:

The real problem behind this amendment lies in the administrative area. Investigation officers are merely, it seems to us at least, accepting the word of the employer that a claimant voluntarily quit without cause or was fired for just cause. These cases are being inadequately investigated and the claimant is not being given the right to be heard. In a number of instances grievances have been processed and won by trade unions on dismissals, but the unfortunate claimants were denied unemployment insurance under the disqualification period.

That shows the unfairness of the present system. The minister admits there are problems with the administration of this section. He admits there is lack of proper advocacy procedures in the bill. The minister also knows that those being discriminated against do not belong to a collective bargaining unit. They are non-union people. I am not as concerned about the union people with respect to this clause, because they have a form of grievance. They have the support of union officials who are well versed in the act and have connections with the Unemployment Insurance Commission. Their case is not as serious as the vast majority of Canadian workers. Only 29 per cent of the Canadian work force is organized into unions; 71 per cent are unorganized. This large group does not have the benefit of support programs and the grievance procedure with qualified union personnel to help them with their appeals. It is that group that concerns the members of this party.

● (1730)

I can give you legions of examples, Mr. Speaker. I have presented them to the Unemployment Insurance Commission and to the minister himself and related the problems they face. For example, there are many people in my constituency—and the same is true in other constituencies—who are in a service operation. If they are fired by their employer, he claims for misconduct, it is very difficult to defend yourself against that kind of dismissal. What is misconduct? In my experience, a person who does not have the support of a union official or any help from the Unemployment Insurance Commission usually decides there is no point in fighting it. They do not understand their rights or how to proceed. Indeed, they are threatened by the very office that the minister has said is there to help them. The appeal procedure before the board of referees is indeed a threatening procedure. If they do not turn to their MP, usually they do not appeal their case. Some of them appeal because it says on their notice of disentitlement that they have a right of appeal. They write a letter saying they are appealing the case, but many of them never appear before the board of referees. In effect, the system has broken down. Justice must not only be seen to be done, but must indeed be done.

Let me give some specific examples of what I mean. I am not talking pie in the sky; these are concrete cases. If this sort of thing happens in one case that comes to light, the House can imagine the legion of cases that do not come to light. I had a case of a young woman who was working as a bookkeeper for Electrolux in Sudbury. She was fired by that company, and on her letter of dismissal it said she was fired. She went to the Unemployment Insurance Commission and, lo and behold, they came in with a three-week disqualification. In most cases disqualification is automatic. I always thought that a person was innocent until proven guilty, but in this case they deemed her guilty of misconduct and gave her this three-week disqualification. This young woman called me, and what did she reveal? She revealed that the manager of the Electrolux company in Sudbury had told her that she was to make certain bookkeeping entries. In her opinion those entries that were demanded of her were illegal entries. Indeed, Electrolux was up in the courts in Sudbury charged with a similar kind of abuse. She refused to make the entries that she was told to make, so they fired her.

It so happens that this young woman has a little more education than many others who get laid off or fired, and

she came to her MP. It turns out that the UIC was prepared to back up the three-week disqualification. By the time we got to the hearing, following several telephone calls, something like four weeks or a month and a half had elapsed and finally the UIC backed off its three-week disqualification.

I ask, Mr. Speaker, is this the kind of justice that is handed out by the commission and the department? The UIC is supposed to be the agency that helps workers who have lost their job or who have refused their job or quit it for good reason. In this case we were successful and won. I know of several other instances where the three-week disqualification was applied, and it took a long period of time, going all the way from Belleville to Ottawa, back to Belleville to the local office, before we got any action at all. I point out that 70 per cent of those on unemployment insurance earn less than $6,000 a year, so that all during that period of time while this process is gone through, these people have to keep looking for work to support themselves. They get no benefit from unemployment insurance for which they have contributed.

The minister has made much of the fact that 250,000 quit their jobs in 1974. Taken out of context, that seems like lot of people, but we must keep in mind the total work force. With a total work force of nine million people, 250,000 is about 2.5 per cent. The minister has also made a great deal of fuss about the 21,000 people who refused jobs. That is less than 1 per cent of all unemployment insurance claimants and less than 0.25 per cent of the total work force. This gives us a proper perspective of the extent of this problem.

What is even more important about the people who have refused jobs or quit jobs is this. The minister has not said much about this and his nabobs in the bureaucracy have not shed much light on the matter. What is the reason that the bulk of the persons quit their jobs? Did they do so without just cause? The Canada Manpower centre in Sudbury referred workers to Denison Mines at Elliot Lake where it has been proven safety conditions are not up to the standards demanded by Atomic Energy of Canada. There we have working conditions that no worker would be anxious to experience. Conditions in the mines are such that the very lives of the workers are threatened. As a result, the workers referred to Denison Mines by the Canada Manpower centre refused the job, and they are reflected in the figure of 21,000. I do not blame them for that, Mr. Speaker. Workers who refuse to work in such conditions, or in asbestos mines where safety conditions are not up to scratch, are reflected in the 21,000 and are cut off from unemployment insurance. We have appealed such cases and lost, because the commission said, in effect, that since other workers are working in the mines these people should take the job.

The minister has not given us any breakdown of these figures showing why people quit or refuse jobs. Who are they, how many are women, how many are men, how many are in the low income brackets without skills? When throwing around a figure like 250,000 or 21,000 we have to see what kind of people the minister is talking about. Instead, the minister assumes in his sweeping statement that these people are lazy, good for nothings, that they are not interested in working at all. That is what he is inferring and it is why he has brought in clause 16. This si also why we cannot support it. We think the government has to give us additional information.

In this economy of ours there is much mobility. When workers in a low paying job want to try and improve themselves, it seems to me this is a pretty good reason for quitting. One would think that if the government really wanted to improve working conditions and pay, they would raise the federal minimum wage. It is sadly lagging behind the industrial wage. What do they do? They bring in this kind of clause, so how is the worker to defend himself against disqualification for quitting without just cause? That is a pretty difficult defence. How does he defend himself against disqualification for being fired for misconduct? In these days the discriminations are not obvious.

● (1740)

The hon. member for Timiskaming (Mr. Peters) pointed out some of the problems. From my experience with unemployment insurance problems I have found that when it comes to a question of believing the employer or the employee, invariably the weight of the argument is always in favour of the employer. This is especially so if the employee is a young person, has a beard, has dishevelled hair and is not dressed in a suit and tie. The weight of the argument is also always slanted against the claimant if she happens to be a woman, and particularly if she happens to have two children at home. Right away, a certain concept flashes through the mind of the benefit control officer. I have had this experience at first-hand. I have knowledge of this and have seen it happen up close.

What the minister is doing by putting in this kind of clause is making those who work in very poor conditions for low wages think twice about quitting and trying to move to something better. It seems to me they will lack that mobility we have been able to give them. What we are doing for some of the worst employers in this country is guaranteeing them a pool of low-paid workers who will be stuck with poor working conditions.

Let me remind the minister that those in this country who work for less than $6,000 a year now make up 70 per cent of the unemployed. We cannot support the minister's clause, and that is why we have brought forward this amendment.

Let me say to the minister that he should first investigate his appeal procedure and the administration of this part of the act. If he can then assure us that the claimants will be dealt with in a just and fair manner, he can come back to this House and ask for a ten-week disqualification period for quitting the job and we might support him. We will support the minister to the hilt, but he should not sell us a pig-in-a-poke, telling us to do this, until he does what I suggest.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I often had the opportunity to see the difficulties of the unemployed, mostly because of disqualification and I will express some views concerning the usual method of the UIC officers.

As I said, we should change the legislation to give to well intentioned civil servants the possibility to better under-

stand and help the unemployed. Unfortunately, it is not the case because of Bill C-69. We still have too many articles that will do nothing but complicate things for the unemployed.

It is already complicated enough so why should we not improve the legislation, make it more flexible, more acceptable, better adapted to needs? It is not the responsibility of the unemployed if the general economic system supported by the majority of the government does not create enough jobs for all Canadians willing to work. They should not suffer from a bad legislation which is not even adapted to their needs.

Bill C-69 includes amendments concerning the period of disqualification that goes up to six weeks for claimants who voluntarily leave their employment without just cause or who lose their job for misconduct or refuse suitable employment or have failed to apply for suitable employment that is vacant. Who decides if it is suitable employment? Commission officers or Manpower Centre officials should not be left to decide by themselves. However, it happens very often and they neglect to avail themselves of an opportunity to get suitable employment. If the man is broke he can hardly be expected to travel 25 miles to see if the job suits him. Apparently it is something that the civil servants or technocrats who draft the legislation do not understand. I guess they do not understand anything about it since they turn out legislation that is irrelevant or hardly applies at all. But in any case, it brings a lot of trouble to the unemployed.

In that respect, may I remark that it is not up to the Unemployment Insurance Commission to determine all by itself whether a job is suitable or not, and that it is not normal either for the commission to force a claimant to accept any kind of employment with any employer.

It is not normal, and it all depends on the officer the unemployed person will meet. I am not criticizing civil servants as a whole. There are some good ones among them. I usually say a number of them perform their task well, others are not as good, and others still are definitely third rate.

If the unemployed worker meets an officer who is unwilling to cooperate, imagine how difficult it will be for him to explain himself. The worker should have the right to know whether he is replacing somebody or if he will be in a new position. If he is taking someone else's place, he should be given the opportunity to know since when and why the job has been vacant.

Such matters do not seem to overly concern Manpower Centre officers. It would be normal for the worker to know also if there is an association of employees or a union in the corporation, and to be given the name of an officer with whom he could have an interview. He has to get organized. He cannot leave just like that to take an employment without knowing whether it will be interesting or not. He should also be told about the policy of the corporation with respect to working hours, and about overtime pay.

Surprisingly enough, when it comes to searching for employment, the Unemployment Insurance Commission does not seem to be satisfied that Manpower Cantres are qualified enough, as it does not recognize the fact for a claimant to have registered with a Manpower Centre and regularly renewed his job request as a job search proof.

● (1750)

Why do we have those fellows in Manpower Centres? They cost a lot to the Canadian taxpayers. I am not too critical of the organization as a whole but why? They should also be able to operate. Their only purpose is to take the names of the local people and say that in such an area there is no work, or to record names and maintain a file of what they call a "job bank" set up with posters that can be checked on the way in. These banks contain a list of jobs available in the area and outside but these people cannot indicate them themselves.

Last spring, there was a boy in my constituency who was very willing. To wit, he went to Alberta. Two of his friends were completing school at 17 and wanted to go to Alberta. I contacted the Rivière-du-Loup Manpower Centre to know whether there were accommodation for young people willing to work in an English-speaking province. They wanted to learn English at the same time. No there were no opportunities, no facilities, nothing doing. Well the boy, to show he was willing, came with me to Ottawa and I took him to the train at 9:59 p.m. one evening and he spent the summer in Alberta. He found work through his own research.

But the people in Rivière-du-Loup Manpower Centre get paid with taxes collected from every Canadian, and I am not referring only to those in Rivière-du-Loup. Unfortunately those are the facts. They did nothing to direct that boy to a job, although he was willing. He wanted to go, he did so, he came back and he earned a certain amount of money, all that on his own steam, without the help of government bodies supported by the taxpayer to guide workers to areas where they have a chance to find a job.

Secondly, I appreciate the reasons why the Unemployment Insurance Commission does not rely on facts supplied by the claimant who made regular applications to the Manpower Centre. The UIC say this is not enough. They must go to Michel Brochu and Diane Chevalier, they have to look on the spot, in actual areas where the unemployment rate now exceeds 20 per cent. People are having all kinds of difficulties with the present freight transportation system, for instance in the furniture industry, as concerns custom duties, in the leather industry, and therefore these people are not ready to hire new employees because they do not need them for the moment. They can only make reasonable profits to keep their present employees.

In these circumstances, why are the Unemployment Insurance Commission employees not trained and not given instructions to better understand the unemployed. Each time I go home during the weekend, I go to the arbitration board of Rivière-du-Loup. Why? To defend the unemployed of the area who have difficulties, and I hasten to say that the Rivière-du-Loup office is not any worse than the others because it is staffed with understanding people, but they have to act on bad legislation and no effort is made to change it, and it is regrettable to note that a group of members, who seem in a hurry to leave, are passing such badly written legislation and are leaving the unemployed to face all the hardships and consequences that follow a period of unemployment.

If Manpower Centres are not sufficiently efficient, they are very quick to report to the Unemployment Insurance Commission any job refusal on the part of a claimant. And not much care is taken to find out why he refused the job.

There is another way for the officials of the commission to disqualify a claimant, and that is on the basis of a presumption. And the definition given by the dictionary of the word "presumption" is as follows:

PRESUMPTION: The taking of something for granted; the inference that a fact exists, based on the proved existence of other facts.

It is therefore urgent to curb the habit of the commission to send disqualification notices to claimants based on insufficient evidence, including presumptions.

The following situation is not uncommon: A claimant receives two notices from the Unemployment Insurance Commission, the first one disqualifying him under section 41 (1) because he voluntarily quit his job. The second notice is one of disentitlement under section 25A, namely that because the claimant voluntarily left his job it is an indication that he no longer wishes to be on the labour market. Consequently, he does not meet the requirements of section 25A. That is the deduction that is made. He may have had several reasons for leaving his job but they do not try to find out why. As soon as he leaves his job, conclusions are drawn. The same phenomenon of presumption will be found in several situations, especially as regards disentitlement under section 25A of the act, and section 145 of the regulations.

Here are two other frequent examples: a claimant is found disentitled because he was absent for two days. Anyone who is somewhat involved in getting guys out of that ridiculous social condition of distress must have witnessed similar situations. That happens regularly. My area is no different from others. So, because a claimant was absent for two days, no matter what the reasons for his absence are, in several cases the UIC officer will serve notice of indefinite disentitlement because his absence tends to prove that he is not on the labour market. Let us consider a bit the notion of sadism in that. The other case will be that of the claimant who did not prove his availability because he did not actively look for work during the period going from x to z. Quite frequently, the officer at the unemployment insurance office will serve notice of indefinite disentitlement under section 25A and 145(9) of the regulations. In the three cases I just quoted, quite often the officer bases himself on indications and sometimes on actual facts which would have no incidence if before making a decision the insurance officer had pushed his investigation further.

Let us take the case of the claimant absent from his area for two days. Often we found that unemployed persons returned to areas where they had worked for a long time to look for a job when they had recently moved there. In that case if the officer had inquired about the reasons for his absence not only would he not have disqualified him indefinitely but quite likely he would simply not have disqualified him. But he did not try to find that out. It is a lot less tiresome to handle a file like that and say, we are not paying anymore. It is clear that he would receive reports, that he would write what he would want on it, but we are not sending cheques.

In any event, to our mind, in the three cases described here, an honest summary is made of the thousands of decisions taken by the civil servants of the commission. Let us have a look at what Superior Court Justice André Nadeau had to say about presumption.

Excerpt from the *Traité de Droit civil du Québec*, Chapter 1x, and I quote:

A presumption is a consequence drawn from a known fact and applied to an unknown fact. The unknown fact must be the true object of the proof, but to demonstrate it, recourse is had to another fact which is more easily proved. There is displacement of the object of the proof since the proof, instead of bearing directly on the law generating fact, bears on another related fact.

That the principles of logic should intervene here, nothing is more obvious. But what is less so, is the fact that prudence demands, in some cases, that the judge keep out of a judicial debate some facts proposed as basis for presumption even though they may be logically pertinent.

So, the practice I alluded to earlier, to which the employees of the commission resort because they have on their hands a poorly drafted act, is clearly contrary to the legal tradition whereby no one is considered guilty until proven so.

It often happens that the arguments of the officials are solely based on the intentions of the claimants. It nevertheless remains that the umpires, in spite of their shrewd and wise impulses, too readily judge on intentions. May I call it six o'clock?

Mr. Deputy Speaker: It being six o'clock, the House stands adjourned until tomorrow at 2 p.m.

At six o'clock, the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 18, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN NATIONAL RAILWAYS

PROPOSED DELAY IN CONSTRUCTION OF PIGGYBACK TERMINAL IN WINNIPEG PENDING ENVIRONMENTAL STUDIES—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. My motion relates to the CNR locating a piggyback terminal in southwest Winnipeg adjacent to a residential area and as the Department of the Environment study completed earlier this year is now obsolete due to the Minister of Urban Affairs granting a loan to the Manitoba government to build housing west of the terminal and in light of the fact the city of Winnipeg has sent a telegram to the federal government protesting the terminal being located on Wilkes Boulevard, I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That this House instruct the President of the Privy Council to rescind the Order in Council granting CNR the funds to build and that the Ministry of Transport direct CNR to halt all proceedings and calling for tenders until the Department of the Environment completes a new environmental study and that alternate sites be explored.

Mr. Speaker: Order, please. Standing Order 43 requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

REQUEST THAT RAILWAYS BE ORDERED TO RUN TRAINS ON ALL SUBDIVISIONS UNTIL WHEAT BOARD ORDERS FILLED—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a problem that you and I and many farmers in western Canada have. In view of the fact that the Canadian National and Canadian Pacific Railways have decided not to run trains on certain branch lines in western Canada for weeks or months this winter and that this arrangement is agreed to by the Minister of Transport who also happens to be in charge of the Canadian Wheat Board, would you believe, and since farmers are being told they must deliver carload lots of malting barley to another rail line, resulting in 30 to 40 miles of extra hauling, and hundreds of Canadian Wheat Board shipping orders being unfilled, if I may have uanimous consent from both sides of the House I would move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this House calls upon the Minister of Transport, in charge of the Canadian Wheat Board, to require the railways to operate trains throughout the winter until all outstanding wheat board shipping orders on any given subdivisions have been filled.

Mr. Speaker: The motion pursuant to Standing Order 43 cannot be put without the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

PROPOSED STUDY OF DAIRY POLICY AND CONTROL OF DAIRY PRODUCT IMPORTS—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the alarming content of the federal government's new dairy policy which seeks to reduce production of industrial milk by at least 10 per cent while increasing the import of dairy products, primarily cheese, and since this will inevitably result in a substantial reduction of the producers' revenues and automatically raise consumer prices, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House consider immediately this new dairy policy which affects very unfavourably all Canadian producers and consumers in an economy which is already stifling them, and that it require the government to change immediately its agricultural policy and take such measures as controls over imports which protect Canadians rather than weaken them in several ways.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Transport

● (1410)

[*English*]

PRIME MINISTER'S OFFICE

SUGGESTED REDUCTIONS IN EXPENDITURES—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion which is self-explanatory, seconded by the hon. member for Dauphin (Mr. Ritchie):

In view of the fact that the Prime Minister will be addressing the nation on television and radio this evening for purposes of outlining to the Canadian people the nature of the cuts in government spending in keeping with the government's declared policy of restraint, the House requests the Prime Minister to include in his remarks the setting of a personal example to the Canadian people by declaring a new year's resolution to curtail and cut the staff size and the expenses of the Prime Minister's and Privy Council offices to a reasonable level, to further demonstrate personal restraint by announcing reductions in the heavy expenditure from public funds at his official residence of 24 Sussex Drive and, finally, a statement that personal holidays in 1976 would be paid for by himself rather than continue poaching from the taxpayer's pocket.

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

PROPOSED COMMITTEE STUDY OF CRITERIA USED IN ASSESSING APPLICATION FOR GRADE SEPARATION PROJECTS—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I also rise on a matter of urgent and pressing necessity. In view of the sensitive and prompt response to the request for a grant to build an underpass at the St. Clair Avenue level crossing in Scarborough following the accident which caused nine fatalities, and in view of the fact that several other communities in this country are also in desperate need of approval of existing plans for similar construction, especially the city of New Westminster, where plans and applications have been on file since 1967, where continued injury and damage occur and where the greatest bottleneck in the lower mainland of British Columbia continues to foul up traffic to an incredible degree, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the Minister of Transport immediately formalize existing agreements where the need has already been demonstrated, and further that the whole subject of rail crossings be forthwith referred to the Standing Committee on Transport for examination and reassessment of priorities and criteria presently employed by the government in making decisions on these matters.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR STATEMENT BY MR. MARCHAND ON CO-OPERATION WITH FORCE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is directed to the minister without portfolio. Would the minister welcome the opportunity to clarify his position with respect to co-operation with the RCMP in the production of records and documents and the giving of evidence and, if so, can he state briefly the situation at the present time with respect to his dealings with the force since I believe another officer and a commissioner had a meeting with the minister yesterday afternoon?

Hon. Jean Marchand (Minister without Portfolio): Mr. Speaker, the situation is crystal clear at this moment. We co-operate with the police. I think that now we only have to wait until they bring some results.

Mr. MacKay: Is it the minister's position that if the RCMP will specify the areas in which they are interested, he will let them have all the documents which they request relating to these areas and if the minister is unwilling to permit voluntarily the RCMP to remove large numbers of files, as they have done with respect to other persons, he would permit them to sort through any files they wish in his office?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am sure the hon. member realizes that his question is hypothetical.

SKY SHOPS INVESTIGATION—REQUEST FOR ASSURANCE INVESTIGATION WILL PROCEED EXPEDITIOUSLY

Mr. Elmer M. MacKay (Central Nova): My final supplementary is for the Solicitor General. Having heard the position of the Minister without Portfolio with regard to his willingness to co-operate with the RCMP, I should like to ask the Solicitor General if he can tell the House that as the responsible minister he is now satisfied that this investigation is able to proceed as fully and expeditiously as necessary?

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker.

SKY SHOPS INVESTIGATION—ALLEGED USE OF WARRANTS RELATING TO COLLECTION OF FUNDS FOR LIBERAL PARTY

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my supplementary question is directed to the Solicitor General. On December 1, as recorded at page 9573 of *Hansard*, the Solicitor General said flatly, and I quote: "There is no investigation of Liberal party fund raising practices." I wonder how the Solicitor General squares that statement with the fact that certain of the warrants obtained by the RCMP in the course of their investigation refer very specifically to material—and again I am quoting—relating to the collection of moneys for the Liberal party.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, search warrants often ask for evidence in the hands of people who could be witnesses but not suspects, and that is what I was pointing out to the hon. member.

Mr. Hnatyshyn: I wonder if I could then ask the Minister without Portfolio whether, in view of the negotiations which are now taking place with the RCMP, he believes that he is not obliged to make full disclosure of documents to the RCMP on a principle akin to the apparently discredited doctrine of executive privilege in the United States.

Mr. Speaker: Order, please. The hon. member for New Westminster.

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ENVIRONMENTAL AFFAIRS

FEDERAL LEVEL FOR ASBESTOS FIBRES—POSSIBILITY OF PROVINCIAL AGREEMENT ON NATIONAL LEVEL

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of State (Fisheries) in his capacity as Acting Minister of the Environment. In view of the announcement he made recently of national levels under the Clean Air Act for two fibres—asbestos being one, for which we congratulate the minister—and in view of the conflict which arises throughout the various provinces in terms of fibre levels—for example, in British Columbia the level is five, and there are various other levels—can the minister advise what instructions he is giving industry as to which of the levels it should comply with? Secondly, is there yet any federal-provincial agreement in terms of the enforcement of the national level in provincial areas?

Hon. Roméo LeBlanc (Acting Minister of the Environment): Mr. Speaker, I thank the hon. member for giving me credit which belongs to my predecessor, the present Minister of Communications.

Some hon. Members: Hear, hear!

Mr. LeBlanc (Westmorland-Kent): I merely came in and signed the press release. I will study the question of the hon. member, ascertain the details of the consultations with the provinces and try to give him a substantial answer tomorrow.

DATE OF APPOINTMENT OF FULL-TIME MINISTER

Mr. Stuart Leggatt (New Westminster): At the present time we have a problem in Port Hope with regard to the closure of the school and a house as a result of radiation poisoning. Mercury poisoning is occurring throughout the country, with some cases being confirmed, and at Syncrude there is a problem with SO_2 emissions. Will the minister continue to take this portfolio as his second responsibility, or will there be a full-time minister of the environment to deal with these very serious problems which are arising?

Hon. Roméo LeBlanc (Acting Minister of the Environment): I suggest to the hon. member that this question would be better asked of the Prime Minister.

An hon. Member: Why don't you ask him?

POSSIBILITY OF SETTING NATIONAL STANDARDS FOR SO_2 EMISSIONS

Mr. Stuart Leggatt (New Westminster): In view of the belated actions of the previous minister in declaring national standards for asbestos under the Clean Air Act, does the minister intend to set a national standard with regard to SO_2 emissions, because the emissions out of the tar sands will be well above federal studies? Will the minister now take action to declare national standards with regard to SO_2, which he has the clear power to do under the Clean Air Act?

Hon. Roméo LeBlanc (Acting Minister of the Environment): I will, of course, take the suggestion of the hon. member very seriously.

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR AMENDMENT OF DAIRY POLICY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to address my question to the Minister of Agriculture.

Considering that the industrial milk producers in Quebec are now experiencing a drop in their revenues with reference to the grants they received in October on 75 per cent only of their production, and considering that an economist named Barry Proud has said that the dairy farmers' revenues will greatly drop in 1976, can the Minister tell the House whether he will introduce amendments to the dairy policy which will take into account the actual production costs in order to prevent a drop in the revenues of those producers who make up an essential sector of this country?

● (1420)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the dairy policy we have sets production goals for dairy farmers and it is one of the most fair policies in the world. I wish hon. members would realize that our dairy producers are amongst the highest paid in the world. We are paying exactly what we said we would pay on the production we requested. In April this year we told them how much money we had and we told them we wanted 100 million cwts. of milk. That comes to about $278 million. If they produce above that they will have to produce it for less money.

[*Translation*]

ACCEPTANCE OF DAIRY POLICY BY QUEBEC PRODUCERS—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): I understand perfectly well the Minister's answer and explanations, but in

view of the general concern, justified or not, about the decrease in the dairy farmers' revenues that is expected in 1976, I would like to ask the Minister whether the president and the membership of the Union of Quebec industrial milk producers agree with the Minister's decision and the dairy policy, and if so, could the Minister recommend that the membership be kept informed as to their union leaders' stand.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we met with the provincial ministers of agriculture yesterday. One issue we discussed was the dairy policy for the coming dairy fiscal year, 1976-77. They know that new quotas will be set for the dairy year which begins in April of 1976 and they will have to produce according to those quotas. They know the programs that were suggested last year. There is an escalator clause and the CPI indexing formula in the contract which is still to be used. We can only use so much milk in Canada and only so much for industrial milk products for the world market. It does not make any economic sense to produce more than we can market. That is the problem we face. At the present time farmers are producing more than the market requires. They have increased productivity about 6 per cent over what it should be.

[*Translation*]

POSSIBLE MEETING WITH DAIRY REPRESENTATIVES TO EXPLAIN POLICY

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to ask the Minister of Agriculture a supplementary question.

In view of the answers he gave to the hon. member for Bellechasse, given the fact that Mr. Pigeon, former President of the Milk Producers Federation, has branded the present government's attitude towards the dairy industry as a blatant sabotage of this industry, and considering also the risk of the disappearance of the cheese industry in Canada, can the minister assure the House that he will meet with the officials and try to work out a solution with them in order to dispel these concerns and this obvious danger?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I met with the dairy farmers concerning the skim milk powder problem. Through consultation we were able to work out a revolving fund. We have already had meetings with them concerning the importation of speciality cheeses. I was asked publicly by Mr. Pigeon what I said to the dairy farmers, and I challenged him to a public debate any time on the question of what we are doing about the dairy industry in Canada. We have done more than any other government in the history of this country.

[Mr. Lambert (Bellechasse).]

HEALTH

ALLEGED CONTAMINATION OF TURKEYS BY SALMONELLA—ADEQUACY OF INSPECTION—IDENTIFICATION OF AREAS BY CONSUMERS' ASSOCIATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question for the Minister of National Health and Welfare is prompted by the statement made today by the Consumers' Association of Canada, to this effect: that the Consumers' Association of Canada has conducted microbiological tests on major brands of turkeys purchased in three major Canadian centres and a large number of samples were found to be contaminated with salmonella bacteria. In view of that statement issued by the Consumers' Association of Canada, is the minister in the position today to assure the House and country that there is adequate inspection capability in the department and that the confidence of Canadians will not be undermined by—may I say—this irresponsible kind of statement? It is irresponsible inasmuch as the association refused to identify the sources of contamination.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for advising me of his question. On November 20, this year, I published a press release entitled "The Salmonella Problem" in which I indicated that foodborne salmonella infection is a serious matter, and outlined what steps are being taken by the government and what steps should be taken by consumers, to reduce the incidence of this infection, particularly in the consumption of poultry products. In addition—but for the postal strike—I had intended to distribute with family allowance cheques this month an insert entitled "Bird Watching", to advise consumers about this very situation.

Salmonella contamination from poultry has been with us for many years. The problem is of serious concern to the government and people of the country, but the matter must be handled responsibly. I hope this issue will not be treated sensationally, but handled responsibly. The resolution of this matter will take years and I repeat, the problem has been with us for many years. The issue must be handled responsibly by consumers and also by those concerned about this particular subject. I refer the hon. member to the press release I issued on November 20 on this subject.

Mr. McGrath: A supplementary question, Mr. Speaker. In the interests of responsibility, and as the Consumers' Association, by making that sweeping statement which fails to identify the three major centres, has put the whole country under the suspicion of contamination, if I may put it this way, may undermine the turkey industry when sales will be at their peak and undermine the confidence of Canadians who buy this traditional meat, will the minister press the Consumers' Association immediately to identify the three major centres referred to in their press release of today?

Mr. Lalonde: Mr. Speaker, I understand that the Consumers' Association of Canada plans to hold a press conference on Monday, when they will probably identify the individual centres. I will be pleased to get in touch with them about this. But I would remind the hon. member that salmonella contamination is widespread and not limited to

the particular centres yet to be identified. It would be most unfair and irresponsible at this time to induce panic in the consumer market dealing with this particular product. Poultry and other foods as well must be handled properly, as most consumers have been doing for years. So far, the incidence of disease resulting from contamination has not been unduly serious in this country, but as I said, it is of concern to us.

* * *

AGRICULTURE

BEEF—SUGGESTED RESTRICTION OF FOREIGN IMPORTS AND RENEGOTIATION OF UNITED STATES QUOTAS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question is for the Minister of Agriculture. In view of the extremely important and urgent meeting which is to take place tomorrow between the minister and United States Secretary of Agriculture Butz relating to the egg issue and beef and veal quotas, and in view of the present somewhat strained relations between our two countries concerning the trans-shipment, or at least, substitution of Australian carcass beef sent to the United States by way of Canada, will the minister consider supporting the Canadian Cattlemen's view that unless some form of voluntary restraint against foreign imports is instituted, or a Canadian import law enacted, we may not have access to the United States market for our Canadian beef and veal?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I want to make sure I do nothing to offend the Canadian Cattlemen's Association, because they do not want government interference. I will study their brief. They are continually saying that. Yet, judging by what the hon. member said, it sounds as if they want more government interference. We shall discuss with the secretary of agriculture of the United States tomorrow all aspects of the beef trading program.

● (1430)

Mr. Hargrave: Will the Minister of Agriculture also give consideration to urging Secretary Butz that their import quotas against Canadian beef, which will end December 31 next, should be renegotiated at or near historical trade levels similar to Canada's five year average pattern instead of a 12 month August to August quota?

Mr. Whelan: Mr. Speaker, I met with the United States secretary of agriculture at the FAO conference in Rome where we had a frank discussion. He sent a letter to me around November 15 which I received the other day. We had already made arrangements for a meeting in Washington. He suggested that when we meet in Washington we have a frank discussion on all agricultural problems facing the two nations. We will talk about our trade problems, their tariffs and our tariffs to see whether we can come to a proper trade arrangement that does not hurt one nation or the other.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ALLEGED SLOWNESS IN IMPLEMENTING POLICY IN NOVA SCOTIA—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address my question to the Minister of Regional Economic Expansion.

Further to the question put yesterday to the acting minister by the hon. member for York-Sunbury, Mr. Nicholson, the minister who was and is speaking for the Liberal government of Nova Scotia recently expressed great disappointment with the inaction of the minister in Nova Scotia. I realize this lack of action could easily be seen as the responsibility of the predecessor of the present minister, but what is the minister's response to the very important statement made by the Nova Scotia government?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, in reply to the question asked by the Leader of the Opposition, I should like to say that we are no happier than need be ourselves about the delays in the negotiations and the fact that we have been unable to sign a greater number of secondary agreements with the Nova Scotia government. Three agreements are now being implemented; they are very important, one especially, and the amounts of money involved are also quite considerable.

We are still negotiating with the Nova Scotia government with a view to coming up with concrete proposals. We trust we will be in a position to announce concrete proposals within the next few weeks, or months. Still, I should in no way want to blame the provincial government for the delays. One thing is sure, however: before reaching decisions, we should be satisfied with the information requested from the provincial governments, and should make sure that our files are complete and that we are in a position to arrive at a decision which, in the final analysis, will respect the provincial authority while also taking into account the priorities of my department, which is willing to intervene in matters concerning economic and industrial expansion.

Mr. Stanfield: Mr. Speaker, I would like to be sure that I clearly understand the minister. Is it his contention that the problem is due to a lack of effective co-operation by the government of Nova Scotia?

Mr. Lessard: I would not say, Mr. Speaker, that there is a lack of co-operation but we must recognize that some situations have changed, that the questions under study contained elements which have evolved in the last few months so that the provincial government had to review some of its own priorities. We have been informed of this necessity and the necessary steps are now being taken so that the new priorities of the government of Nova Scotia will be taken into consideration.

Oral Questions

BILINGUALISM

RECLASSIFICATION OF CERTAIN POSITIONS AS BILINGUAL—MINISTER'S POSITION

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I wish to put a question to the President of the Treasury Board. I noticed he left the House a few moments ago; I wonder if he can come back immediately. In his absence, I will put my question to his parliamentary secretary.

In view of the fact that French-speaking civil servants in the Montreal area are showing legitimate impatience six years after the adoption of the Official Languages Act, can the Parliamentary Secretary to the President of the Treasury Board report progress to the House on the reclassification of the positions that may be reclassified as bilingual in Quebec, tell us if he is prepared to recognize the principle of a bonus based on the degree of bilingualism required for the exercise of the functions, and whether he has been invited by the regional section of Quebec to meet them in order that, while negotiations are under way, the same climate of co-operation and the same quality of service be maintained in both official languages?

[*English*]

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I will take up a number of the points raised by the hon. member with the minister. However, I would like to go on record as pointing out there have been a series of consultations involving staff associations and Treasury Board through the advisory committee of the National Joint Council. No fewer than ten of these have taken place since the month of August of this year. These consultations are still necessary. No doubt the minister will have further observations to make.

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AIR CANADA

REQUEST THAT MANAGEMENT NEGOTIATE WITH CERTIFIED BARGAINING AGENT FOR FINANCE BRANCH EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport, but may I say that the issue might also be of concern to the Minister of Labour. In view of the unsatisfactory state of labour negotiations between the employees and management of Air Canada's finance branch, will the Minister of Transport discuss with Air Canada the desirability of negotiating directly with the certified bargaining agent, namely the Canadian Airline Employees Association?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I consider the matter of proceeding on this question to be very much a matter for the internal management of Air Canada. I recognize, however, that there are some questions which have been brought to the attention of my colleague, the Minister of Labour, and he has a role to play in this regard.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I then ask the Minister of Labour whether he is using his good offices to get the two sides to this dispute to negotiate in accordance with the established principles of collective bargaining.

[Mr. Lessard.]

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. As the hon. member knows, the mediators or industrial consultants in my department are familiar with this matter about which the hon. member is concerned. They are prepared to be of assistance of any time.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT—PROPOSED ESTABLISHMENT OF COMMISSION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Is the government giving consideration to the establishment of a Canada-United States economic commission to deal with swings in the balance of automotive trade between Canada and the United States as brought about by the auto pact, such a commission having been recommended by the Auto Parts Manufacturers Association of Canada and the United States Senate Committee on Finance?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, this may well turn out to be the next step in the process which is already underway. The hon. member will recall that the President and the Prime Minister agreed some months ago to set up a study of the automotive industry for his information and for that of the House. My officials met with the American officials about a month ago and agreed to initiate studies in parallel. In other words, there is a study going on in the automotive industry in the United States and a similar one going on with regard to the automotive industry in Canada. Once these studies have been completed, and we have a fairly tight timetable to get them completed in a hurry, we will decide on the next step, as to whether some kind of further joint step is necessary. I can assure the hon. member it is being examined at the present time.

* * *

ADMINISTRATION OF JUSTICE

USE OF CONFIDENTIAL DOCUMENTS IN COURT CASES—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): My question is to the Minister of Justice. I raised this matter before. In the case of PPG Industries Limited and Pilkington Brothers versus the Attorney General of Canada, the Chief Justice of Canada criticized the use of confidential income tax information and documents, contrary to the Combines Investigation Act. He said that was unjustified, sordid and sloppy. Has the minister investigated this criticism of his department and can he assure the House and the country that confidential information will not be used again?

● (1440)

Hon. Ron Basford (Minister of Justice): I have, Mr. Speaker. I am under constraints as to what I can say, both

because of the judgment of the court and because of the further action which Mr. Buchanan may be taking. But as far as I and my officials can control the matter, I can certainly give the assurance that the provisions of the Combines Investigation Act and of the Income Tax Act will be observed by members of the public service of Canada. Because of the nature of the case, I am in the course of preparing a directive to my officials that where there is an investigation which calls for the use of auditors they should be outside auditors and not tax auditors so that there can be no confusion in the mind of the person being audited as to whether it is a tax audit or some other sort of audit, and because Mr. Buchanan may be taking further action, it is the view both of my officials and of myself that I should be advised by outside counsel on the matter, bearing in mind the nature of the case, and I am retaining outside counsel for that purpose.

Mr. Woolliams: Could the minister tell us why the documents were used in that particular case? Is he aware of the concern which will be felt by the average Canadian citizen in filing his income tax returns if they are to be used against him in litigation brought on by the Government of Canada, particularly by the Department of Justice? Why were these documents used and what made the Chief Justice so critical in that regard?

Mr. Basford: Because of the judgment of the Supreme Court and because of further contemplated action, I am under constraint in giving the hon. member the explanations he would like.

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AIR TRANSPORT

REQUEST FOR ASSURANCE INFORMATION OBTAINED IN EXAMINATIONS FOR PILOTS' LICENCE NOT AVAILABLE TO FOREIGN COUNTRIES

Mr. Erik Nielsen (Yukon): A supplementary to the Minister of Transport based on a recent occurrence. Will he assure the House that medical and other information obtained by his department with respect to examinations conducted of Canadian citizens who apply under the licensing requirements for pilots and others in Canada will not be made available to the United States or to any other foreign country in connection with application by Canadian citizens for licensing in those countries?

Hon. Otto E. Lang (Minister of Transport): I would be glad if the hon. member would give me details about the matter so that I could better understand his question.

* * *

HEALTH

EXPOSURE OF EMPLOYEES OF ELDORADO NUCLEAR TO RADIATION—INQUIRY AS TO TESTS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It relates to the continuing problem of waste residue emanating from the federal Crown corporation, Eldorado Nuclear, Port Hope. Can the minister tell us whether there has been any collation of personal medical data or any collection of medical case histories from employees both past and present of Eldorado Nuclear?

Hon. Marc Lalonde (Minister of National Health and Welfare): I should like to point out, first of all, that the problems in Port Hope and to which the hon. member referred relates to waste being disposed of by Eldorado around 1955. Investigations are being carried out both by the Ontario health authorities and by Eldorado Mining at the present time. The health protection branch of my department has offered to assist in carrying out analyses and assessing the health implications if required. It appears that medical tests are not expected to detect any adverse health effect on the school children involved in the area. As far as the mine workers are concerned, I will inquire from Eldorado Mining or from the Ontario health authorities and I will be pleased to inform the hon. member of any information I obtain.

Mr. Lawrence: Do I understand the minister as saying there is some federal agency doing surveillance work or continuing testing of both adults and children in the area who may have been subjected to radioactivity or radon gas?

Mr. Lalonde: There is no federal authority carrying out these medical checks at the present time. Any medical checks carried out are being undertaken by the Ontario health authorities. However, I am advised that the Atomic Energy Control Board is proposing to investigate, with the assistance of my department, areas of Port Hope which may possibly be contaminated as a result of the disposal of waste about 20 years ago. As far as individual medical tests are concerned, I do not know of any being carried on at the present time by federal authorities or by provincial authorities.

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INDUSTRY

EFFECT OF LOCKHEED ORION CONTRACT ON AEROSPACE INDUSTRY IN MARITIME PROVINCES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question I would like to put to the Minister of Industry, Trade and Commerce. Could we be brought up to date with regard to a matter I have raised once or twice in the past week or ten days, that is, the fair allocation of industrial benefit arising out of the LRPA program, particularly with respect to the aerospace industry in Dartmouth affecting 400 jobs in Nova Scotia.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker. I am grateful for the opportunity of a private conversation with the hon. member. I have asked my officals to be in touch with the company concerned to determine precisely the basic nature of their interest and concern. I have not as yet received a report. As I understand the hon. member, he is interested in getting some activity into the plant now in the construction phase so that they will be geared to do something on the repair and overhaul. I have conveyed that representation to my officials and when I have an answer I will pass it on.

Oral Questions

PUBLIC SERVICE

SUGGESTION THAT BILINGUAL BONUS PROGRAM BE SCRUTINIZED BY ANTI-INFLATION BOARD

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I address a question to the President of the Treasury Board? It is supplementary to that directed to him a few moments ago by the hon. member for Maisonneuve and it has to do with the government's program, presently before cabinet, with respect to bonuses for bilingual public servants. Can the President of the Treasury Board assure the House that any bilingual bonus program for public servants, whether by way of direct pay increases or indirectly through job classification, will be subject to scrutiny by the Anti-Inflation Board?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the commission determines for itself whether or not it has to intervene. At this moment, I do not know if we will request the opinion of the commission or proceed after agreement with the union. What is important now is to devise a system that would be satisfactory to the government and to the unions representing all employees in the public service.

* * *

[*English*]

AIR TRANSPORT

INTRODUCTION OF BILINGUAL AIR TRAFFIC CONTROL IN PROVINCES OTHER THAN QUEBEC

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is to the Minister of Transport. Since the introduction of bilingualism for air traffic controllers is based on constitutional grounds, can the minister inform the House as to his schedule for introducing bilingual services into airports in other provinces of Canada?

Hon. Otto E. Lang (Minister of Transport): The studies which have been carried out relate essentially to the Province of Quebec, although there was an examination of the question in relation to the National Capital Region. The question of any possible extension is a very difficult one indeed because of the nature of the bilingual quality of the controllers who would be required and there is therefore no plan in this regard. Our first and obvious step is to examine the use of both languages in air traffic control in the Province of Quebec, as the statement I made the other day indicates.

Mr. Friesen: Since many of the pilots in the association in Quebec are naturally bilingual and many others are unilingual French, is it not reasonable to suppose it is only a matter of time before these pilots will request bilingual services in other provinces?

Mr. Lang: That is obviously a hypothetical question. The use of English is very desirable, if not essential, for pilots because of the use of English in international flights as a second or alternate language generally; that will still have a bearing on the question.

[Mr. Jamieson.]

TRANSPORT

PROPOSED SUSPENSION OF OPERATION OF RAILWAY BRANCH LINES IN WESTERN CANADA—GOVERNMENT ACTION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I do not know whether the Minister of Transport heard my motion under Standing Order 43 or not, but I should like to ask him this. In view of the fact that the railways propose in the coming months to suspend operations on a number of branch lines in Western Canada, has the minister in charge of the Canadian Wheat Board agreed to this, even though many hundreds of Canadian Wheat Board shipping orders will not be filled as a result.

● (1450)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the procedures put into effect by the railways to discontinue the movement on certain lines in the wintertime is not a matter which is brought to the attention of the minister for his approval, but is action that is taken by the railways themselves. Of course, this is not new action this winter; it is a thing which has happened for many, many years.

Mr. Benjamin: That is a lot of crap, that answer.

Some hon. Members: Oh, oh!

An hon. Member: Withdraw.

Some hon. Members: Shame, shame.

An hon. Member: What do you say to that, Otto?

* * *

[*Translation*]

AGRICULTURE

GOVERNMENT MEASURES TO CURB WASTE OF FOOD

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question I would like to ask the Minister of Agriculture who has already received notice of it.

During the recent Canadian Agricultural Outlook Conference, the minister asked the Canadian people to stop wasting food. He also said that with world supplies enabling to survive only 35 days, the situation would be catastrophic if we were to have the same problem with our next North American crops as the Russians had with theirs last year. Given the gravity of these possibilities, could the minister tell this House to what extent, according to him, Canadians will agree to be more reasonable in this respect and can he also say what measures are considered by the government if the wastage goes on?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Yes, Mr. Speaker, we do have plans. The government has put out publications through different departments on how people can make sure food does not go to waste; by proper storing, proper cooking and by proper buying. I think we can do this by better diets, by eating better and by loving more.

Some hon. Members: Hear, hear!

An hon. Member: Are you going to diet or love more, Gene?

[*Translation*]

INQUIRY AS TO DAIRY POLICY FOR 1976

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, with your leave, I would like to ask a question which is supplementary to the question of the hon. member for Bellechasse.

Considering the present dissatisfaction among industrial milk producers, particularly in the province of Quebec, could the minister tell this House whether, be it the case or not, the leaders of the Federation of Industrial Milk Producers told him that they were satisfied with the new federal milk policies for 1976.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would not go as far as to say that they were satisfied with the effort in respect of the dairy problems we have today. They have done a remarkable job in Quebec as far as selling their own products within their province for consumption is concerned, because the consumption of fluid milk in Quebec is actually up this year over what it was last year. If most other provinces could do as good a job as they have done in Quebec, we would not have the problems we have today.

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PUBLISHING

POSSIBILITY OF CHANGE IN CANADIAN CONTENT PROVISION AFFECTING "TIME" AND "READER'S DIGEST"

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, in view of the public confusion over the final fate of *Time* Canada and *Reader's Digest* in Canada caused by the government's delay in respect of third reading of Bill C-58, could the Secretary of State confirm that the increased representations made to him and the government over the Christmas recess may possibly lead to an accommodation in which the 80 per cent content ruling may be reduced, which would enable *Time* Canada and *Reader's Digest* to survive?

Hon. James Hugh Faulkner (Secretary of State): No, Mr. Speaker, I think the indication offered by the President of the Privy Council yesterday was quite clear, and it had to do with the fact that this House has not been able do deal with the legislative program laid before it, so some items have had to be delayed. Because this bill is a tax bill and has an effective date of January 1, it obviously could be delayed.

Mr. Roche: Mr. Speaker, I would ask the same minister whether the government intends to ignore the representations made by 49 *Reader's Digest* suppliers who will lose $14 million a year in business due to the closing of *Reader's Digest*, thereby forcing some of them into bankruptcy?

Mr. Faulkner: Mr. Speaker, I have studied all those representations with a great deal of care and I have not been persuaded.

An hon. Member: Scrooge.

Some hon. Members: Oh, oh!

* * *

HIGHWAY SAFETY

GOVERNMENT ACTION WITH REGARD TO IMPAIRED AND ACCIDENT PRONE DRIVERS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, in view of a question I asked the Prime Minister and his answer, which appear at page 9411 of Hansard, I would now ask the Minister of Transport whether he has been in touch with his provincial counterparts concerning the appalling killing of 6,000 people on Canadian highways and the maiming and crippling for life of 160,000 more and, if so, what can we expect in the way of additional legislation covering the use of alcohol and accident prone drivers on our highway killer strips?

Hon. Otto E. Lang (Minister of Transport): First of all, Mr. Speaker, I thank the hon. member for the courtesy of giving me notice of his question. The Ministries of Transport of the ten provincial and federal governments have been concerned about this subject in an organized fashion since early 1974, and following a meeting of the ministers there have been a number of meetings of senior officials to deal with the matter. Of course, this has led to the promotion of such things as the greater use of seatbelts and more attention to drinking and driving laws.

Some of these things are, of course, dealt with in the present legislation before the House in Bill C-71. It is primarily the responsibility of the province to identify particularly difficult strips of highway, but the federal government does work with the provinces in connection with the standards. We work also with international bodies to develop standards. I am happy to say that results seem to be coming in from this in view of the drop from something in the order of 6,700 to 6,200 deaths in 1974 from 1973, and a further drop seems to be indicated in 1975. The 11 ministers together have set a target for specific reduction in fatalities of at least 15 per cent by 1975. All this work will go forward in this way.

* * *

AGRICULTURE

COMPETITIVE ADVANTAGE OF UNITED STATES APPLE GROWERS—GOVERNMENT ACTION TO OVERCOME

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, because the Canadian apple producers from Nova Scotia, New Brunswick, Quebec, Ontario and British Columbia are meeting today in the railway conference room, I should like to direct a question to the Minister of Agriculture. One of the major problems these producers are discussing relates to rail transportation rates and, more especially, to the competitive advantage the United States

producer has over the Canadian shipper, of up to 43 cents a box or one cent a pound shipped into Canada. In view of the fact the Minister of Transport has said he can or will do nothing about this and is hiding behind the CTC, will the Minister of Agriculture use his heavy weight in Cabinet to convince the Minister of Transport, the CTC and the railways of the need to do something about this outrageous situation?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member knows that if there is anything that can possibly be done we will do it. We have met with the B.C. apple producers and have said that if at the end of their market year they can show actual figures of the loss we are prepared to use the provisions of our agricultural stabilization bill to assist.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

PETITION PROTESTING CONSTRUCTION OF NUCLEAR BASE NEAR VANCOUVER, B.C.

Mr. Speaker: Order, please. I have the honour to inform the House that the Clerk of the House has laid upon the table the twenty-first report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for New Westminster (Mr. Leggatt) and finds that it meets the requirements of the Standing Orders as to form.

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BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Yesterday we rather got into the Thursday question about the business of the House, but I wonder if I might now ask the government House leader if there have been any changes in respect of the list presented to us yesterday of the bills requiring consideration, namely, C-69, C-77 and C-52. Are there any others that require to be dealt with before the Christmas adjournment?

Mr. Sharp: Mr. Speaker, it is possible there will be another bill, but it is contingent upon an agreement among the parties and, perhaps, an order of the House that there would be extremely limited debate. If I do not get that undertaking, I will not introduce the legislation.

* * *

● (1500)

PUBLIC ACCOUNTS

Fourth report of Standing Committee on Public Accounts—Mr. Crouse.

[Mr. Whittaker.]

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

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INCOME TAX ACT

TABLING OF NOTICE OF WAYS AND MEANS MOTION RESPECTING INCOME TAX

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to lay on the table of the House notice of ways and means to amend the Income Tax Act to impose a surtax on personal incomes. I should like to explain it briefly. The motion tabled proposes the establishment, effective January 1, 1976, of a 10 per cent federal surtax for one year on the portion of taxable personal incomes in excess of $30,000 as a means of further reinforcing the national program for attacking inflation that has been launched by the federal government.

As the House is well aware, it has been our concern from the beginning that the anti-inflation program should be fair, and should be seen to be fair, to all groups in our economy. That is critical to the credibility of the program and crucial to its success. In response to a strong expression of opinion in the Commons and in the country, I indicated some weeks ago our intention of modifying the original guideline proposals as they applied to those in lower income brackets so as to provide for an exemption from restraints for those earning up to around $7,000 annually. Similar considerations have also led to a review by a number of provincial governments and the federal government of the adequacy of existing minimum wage levels.

Those at the lower end of the income scale are already heavily burdened by the sharply rising cost of living, which makes it difficult for them just to provide their basic needs. As the House is aware, my colleague, the President of the Treasury Board (Mr. Chrétien), tonight will announce a number of spending cutbacks planned by the government in order to restrain the rise of total government expenditures. Those cutbacks, unavoidably, will affect a great many Canadians but particularly those of moderate incomes.

In terms of fairness and equity it is, we believe, only fair that those at the upper end of the income scale, who are able to absorb the impact of rising living costs without undue hardship, should be asked to shoulder some share of the burden. As members are aware, some provinces have suggested that a surtax should be applied against the earnings of self-employed professionals. In our view, however, it would not be equitable to single out the professional group alone for such treatment. We have come to the conclusion that a surtax should be levied on all those in the upper income bracket whether they be professionals, independent businessmen, corporate executives, well-to-do farmers, or senior public servants. While the guidelines do provide for a maximum increase of $2,400, it is fair to ask those who already enjoy ample means to make a proportionately greater sacrifice in the national interest.

As I indicated at the outset of my remarks, the 10 per cent surtax would apply only to the portion of the federal levy payable on taxable income in excess of $30,000. To illustrate, let me take the case of a married taxpayer with

two children under 16 who next year has an earned income of $45,000. Under the existing system, he or she would be liable to pay federal tax of approximately $8,000 on the first $30,000 of taxable income and $3,957 on the balance of his taxable income over this amount. The 10 per cent surtax, which would apply against the regular federal tax of $3,957 on the income above $30,000, would come to $396. For a similar taxpayer earning $60,000, the surtax would amount to $998, and for a taxpayer in the $100,000 bracket it would amount to $2,786. It is estimated that the surtax would apply to approximately 170,000 taxpayers and yield around $115 million in additional revenue to the federal treasury. Our decision to propose imposition of a surtax was not motivated by revenue considerations. The amount of revenue generated by the surtax is not insignificant, however, and will help to reduce our future cash requirements and our resulting demand for funds from the capital market, which in turn will contribute indirectly to easing of the inflationary pressures.

Mr. Speaker, in concluding let me acknowledge that I propose this measure with mixed feelings. I am concerned that our tax system should not bear so heavily on those earning higher incomes as to stifle the individual initiative and enterprise that provides such a powerful driving force behind our economy. At the same time, I am very conscious of the necessity of subordinating many considerations to achievement of our overriding objective as a nation of bringing inflation under control.

I believe that the surtax will not prove unduly onerous in its impact during the limited period it is in effect. I think most members of the House will agree that it is fair and reasonable to expect that those enjoying an abundant share of the wealth of our economy should make a proportionate contribution to the successful outcome of the fight against inflation, a fight in which they have an important stake.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the minister was good enough to make a copy of his remarks available to me about half an hour ago. Even so, he will appreciate that I have not had an opportunity to give this matter the very profound reflection that he has. It has occurred to me, however, that there might be one unanticipated side-effect of this proposal which has not occurred to him: this might turn out to be a disincentive to the number of people looking for my job.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is also, Mr. Speaker, a disincentive for me to meet the wishes of my Liberal friends opposite by staying on. Of course, a tax measure which touches a relatively small proportion of the population that is generally considered to be rather well off will not bring about widespread protests through the country. There may be some touch of sorrow for the top civil servants who will have to return more of the $6,000 salary increase which they received recently. I should like to say that generally it is my belief that Canadians who will have to pay this extra taxation which is being imposed would do so very willingly if they were satisfied that the government would administer the affairs of the country efficiently.

Some hon. Members: Hear, hear!

Mr. Stanfield: I believe those Canadians, like other Canadians, would consider a little extra taxation a small price to pay for a really effective fight against inflation and against waste in governmental institutions.

Mr. Speaker, we will hear more about this aspect this evening in connection with the delightful program the minister has arranged for us at eight o'clock. I would point out to the Minister of Finance (Mr. Macdonald), however, that this measure is not a substitute for the control of professional fees.

● (1510)

Mr. Broadbent: Right on.

Mr. Stanfield: Indeed, those Canadians and those Canadian governments who have been concerned that some professional people may put up their fees will be even more concerned following the presentation of this resolution to the House today. I believe that a very large proportion of professional men and women in this country will voluntarily comply with the guidelines of the government, but a number of provincial administrations are apparently concerned that some will not, and the very fact that the Minister of Finance is proposing to reduce the income of anybody who is considering increasing his or her professional fees will be an additional incentive to such people to put up their fees. In that sense, this resolution will have an inflationary tendency rather than a deflationary one.

Some hon. Members: Hear, hear!

Mr. Stanfield: So I must say that as a control mechanism, a restraint mechanism, the minister's proposal is a bust. On the other hand, whether or not it has any beneficial psychological effect will depend upon whether the government is able to get a grip on its inflationary program and make it seem somewhat effective. In short, the acceptance of this tax will depend upon the performance of the Minister of Finance and of the President of the Treasury Board (Mr. Chrétien), and we will be watching him tonight with a very sharp eye indeed.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I must say at the outset that this is a shock to me. It is an absolutely cheap way for the Minister of Finance (Mr. Macdonald) to make a headline. This is a hoax; it is a joke; it is a move by the Minister of Finance that is not serious, because working people know their salaries will be rigidly controlled within the guidelines. The minister wants to appear to do something to control professional income, but that is just not the case in the announcement he made. The new surtax does not apply unless your taxable income is at least $30,000 a year. It does not apply to members of parliament in this chamber, it does not apply to senators in the other place, and it does not apply to the great majority of people who make big incomes in this country. It merely applies to any professional people who can get more than an increase of $2,400 a year.

The minister wants us to believe that this will be a 10 per cent tax on professional people who are increasing their income by more than $2,400 a year. I want to quote from the minister's own paper. He gives an example of how this tax will work with respect to a family consisting of a

husband, wife and two children, earning $45,000 who has a taxable income of $40,320. His federal tax, before the surtax, is $11,957. He did have an exemption which is called "surtax threshold" of $8,000, which is exempt as a deduction to begin with. That is how you get to the $30,000 taxable income in the first place. That excludes me, as a member of parliament, and other members of the House. The amount subject to the surtax by the man making $45,000 is $3,957. His surtax is $396. I have had half an hour to make this calculation, and I find that in many cases people paying the additional surtax will be saving more in the increased indexing of income tax this year than they will be paying in the increased surtax.

Some hon. Members: Hear, hear!

Mr. Nystrom: The person making $50,000, with two children, in 1976 over 1975, because of the indexing of income tax will save $700 this year, and the additional tax put on by this government is less than that. That is not what is happening to working people in this country. The person who made $50,000 last year, because of indexing saves $796, and in 1974 over 1973 would have saved $500. In the last two years a person making $50,000 has a saving of $1,996 because of indexing. Here he will have to pay a few more peanuts because of what the government has brought before the House today. It is an absolute farce, an absolute joke and an absolute shame.

This is not a 10 per cent tax. For example, if a lawyer is increasing his income from $40,000 to $45,000—lawyers will increase their salaries from $40,000 to $45,000 this year by dealing with more wealthy clients—and he is in the 40 per cent tax bracket, he pays a 10 per cent surtax on the portion of his income from $30,000 to $45,000, or on his taxable income, which is around 2 per cent or 3 per cent of the actual increase. This is a farce. That lawyer will pay around $150 on his $5,000 increase this year. It is a cheap hoax that the Minister of Finance is perpetrating on the Canadian people.

Some hon. Members: Hear, hear!

Mr. Nystrom: Our party has said that any person who has an increase of more than $2,400 this year over last year should have that amount taxed back at the rate of 100 per cent. Working people cannot rig those guidelines, so why should wealthy people have this loophole and be allowed to have an increase away in excess of $2,400?

I have one final point to make on the minister's statement. He said the announcement that is coming tonight will unavoidably affect a great number of Canadians, but particularly those with a moderate income. He is saying that he will hurt those people. He is also saying that the decision he has made this afternoon will not really hurt the professional people. He said in his statement:

Our decision to propose imposition of a surtax was not motivated by revenue considerations. The amount of revenue generated by the surtax is not significant—

The announcement today is a farce by the government and should be treated as such.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we understand very well that this measure does not satisfy socialists because it is not hard enough on the well-to-do, while Social Crediters would have preferred a measure presented today by the Minister of Finance (Mr. Macdonald) which would have helped the have-nots without depriving the haves.

Mr. Speaker, unfortunately, this measure is only the prelude to another measure which will be announced very shortly, probably tonight, and which will also enable the Minister of Finance to strangle small-earners. The measure announced by the Minister of Finance is a small blow striken at the rich in order to strike a bigger one at the poor tonight.

I regret, Mr. Speaker, that this measure does not, on the other hand, apply to the financial institutions of the country, that it applies only to private individuals, because if I refer to the figures provided to us recently, banking institutions made the largest profits in Canada in 1974-75, and yet the legislation just announced by the Minister of Finance will not affect these mandarins.

Mr. Speaker, this legislation will further undermine the initiative of those who, I admit, have the largest revenues in Canada; it will further undermine their initiative, which will subsequently affect and impoverish the poor. The best way to affect the poor is to destroy the initiative of the rich. I am referring here, Mr. Speaker, to a very well known saying by a former President of the United States: We cannot have prosperity if we discourage initiative. We cannot strengthen the weak by weakening the strong.

That is what this legislation is trying to do today: weaken the strong or try to make us believe that we are going to help the weak, when it is impossible to do so, because until now, all the taxes or surtaxes which have been voted in this House in the last 20 or 30 years have always weakened the strong without ever helping the weak. He said that it is impossible to help the poor by destroying the rich. A man cannot avoid troubles by spending more than he earns.

The federal government should be the first to implement what Lincoln used to say: It is impossible to base a durable security on borrowed money. That is what the federal government is always doing. It seems they want us to believe that it is possible to base a durable security in Canada on unceasingly borrowed money. Lincoln also used to say that it is impossible for a man to have character and courage if you deprive him of his initiative and independence.

Mr. Speaker, I do not have time enough to go on quoting other memorable words, but it is deplorable to see that all our legislation tends to undermine the very initiative of those who possess something. And I am not ashamed to challenge what the socialists want us to believe, that it is possible to help the poor by destroying the rich. We Social Crediters do not believe in that; we want to upgrade the poor's standard of living without taking anything away from those who possess something. And when the Minister of Finance is bringing in such a measure, he is fully agreeing with the socialists who want to destroy the well-to-do in order to enrich the bankers whose profits of billions every year are never affected, as we can see in any government's bulletin or in any press release by the newly established Anti-Inflation Board. All our legislation adversely affects the low-wage earners as well as the

affluent people, but never those who control the haves as well as the have-nots, the very ones who control the country's finances. And I regret that such a bright Minister of Finance serving such a beautiful country as Canada might be inclined towards socialism rather than individual and free initiative.

● (1520)

[*English*]

Mr. Broadbent: Mr. Speaker, I have a question for the Minister of Finance, if I could get his attention.

Mr. Speaker: Order, please. It has been our practice since last Easter that any statement made by a minister is followed by a question period of short duration in which half a dozen hon. members are able to pose questions to the minister. I therefore recognize the hon. member for Oshawa-Whitby (Mr. Broadbent).

Mr. Broadbent: My colleague, the hon. member for Yorkton-Melville (Mr. Nystrom), has pointed out that this measure will have virtually zero effect on professional incomes as they relate to the guidelines program. I should like to ask the minister if this is all the government proposes to do, and whether this is the only instrument it will introduce to deal with professional incomes in this country within the framework of its guidelines program.

Mr. Macdonald (Rosedale): Of course not, Mr. Speaker. The proposals have been very extensively indicated in the guidelines and in responses to questions, and there will be further details when the regulations are tabled this evening.

Mr. Broadbent: In terms of information provided by his department, could the minister inform us of, on the average, the level of income at which this proposal would become operative? We know that it is at $30,000 taxable income, but would it be accurate to say that no Canadian earning less than $40,000 per year would be affected?

Mr. Macdonald (Rosedale): That will depend directly on the circumstances of the individual. For example, an unmarried person with neither the benefit of the married exemption nor an exemption for children, obviously will pay the surtax on a lower level of gross income than would be the case of a person who had these various exemptions available.

Mr. Broadbent: Could the minister inform the House how he arrived at the $8,000 threshold figure?

Mr. Macdonald (Rosedale): This represented a relatively substantial income level above which we felt the people at that level could, as I said, without undue hardship pay the additional taxation.

Mr. Orlikow: Mr. Speaker, as I recall, the minister said that this surtax would bring in revenue of approximately $150 million in the coming year. Could the minister indicate what estimate the government has made as to the loss to the federal treasury as a result of a continuation of indexing of income tax in 1976?

Mr. Macdonald (Rosedale): I should correct the hon. gentleman. The level indicated in my statement was $115 million. I cannot give precise figures with regard to the indexing.

Mr. Saltsman: Could the minister remove some of the confusion about how he arrives at his decisions? A few weeks ago he was saying that he is not interested in surtaxes. We have heard various statements from the other side of the House against surtaxes. What has happened that changed the mind of the government about bringing in the surtax?

Mr. Macdonald (Rosedale): I can understand why the hon. gentleman may have had difficulty hearing my statement, but I pointed out that there will be some announcements made affecting a great many other people in the economy, including those with moderate incomes. It seems to us that in respect of that latter group, since they will have a shortfall in income because of decisions the government will be making, so particularly those at the higher income level who are less dependent upon revenues from the government for their incomes should make some contribution to the over-all national revenue.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, could the minister advise the House whether personal income taxes are a greater source of revenue for the government than corporate income taxes? If so, will the minister include in his forthcoming budget measures to increase, if necessary, corporate income taxes on multinationals and reduce personal income taxes, so as to set some sort of balance?

Mr. Macdonald (Rosedale): Mr. Speaker, I must emphasize that corporate income taxes for instance are the equivalent of taxes paid on services, to the extent that the cost of such taxes are reflected in the increased cost for goods and services consumers must pay. The proposed income tax would affect only individuals in the higher income braket. An individual must pay it himself and not pass it on other Canadian consumers.

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question. In view of the fact that financial institutions are allowed to deduct 1½ per cent as contingency reserve, and that the former minister of finance had already included in his May 1974 budget, I think a measure to reduce this rate to one half of 1 per cent, could the minister tell the House whether or not he intends, in his forthcoming budget, to raise this rate granted to financial institutions back to 1½ per cent?

Mr. Macdonald (Rosedale): Mr. Speaker, if I understand correctly, the hon. member is referring to the reserves for instance the banks are allowed to keep to cover their losses. This is a suggestion which I feel will be worth considering when the time comes in 1976 for the government to introduce a bill to amend the Bank Act.

[*English*]

Mr. Speaker: For the last question I recognize the hon. member for Dauphin (Mr. Ritchie).

Mr. Ritchie: Mr. Speaker, does this surtax supersede or in any way change the $2,400 maximum guideline already set for professionals only?

Mr. Macdonald (Rosedale): No, the $2,400 guideline is not set for professionals only; it is a restriction on all recipients of earned income whatever that might be, whether corporate executives, members of the various professions or independent businessmen. That restriction will continue. What this particular measure applies to is all incomes of individuals whether or not they have enjoyed an increase in revenue during the year 1976. Someone who has not gone up from $35,000 to $40,000, who remained at the $35,000 income level, will still have to pay the surtax.

Mr. Knowles (Winnipeg North Centre): A point of order, Mr. Speaker. The minister was good enough to send copies of his statement to the various parties and I notice that two pages were attached to it, one entitled "Summary of the Surtax Proposal" and the other entitled "Surtax Payable at Various Gross Income Levels". I think I am correct in saying the minister did not read those two pages. It seems to me that the information in them is important and is really part of the statement and ought to appear in *Hansard* in some way, either as having been read by the minister or as an appendix. I refer to the table that shows that a person with a $35,000 income will pay an extra tax of $10 a year.

Mr. Macdonald (Rosedale): Mr. Speaker, I would be quite happy to table that, but unfortunately I do not have copies here. But I would be quite happy to table it and have it appended to *Hansard*.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: Agreed, and so ordered.

[*Editor's Note: For table referred to, see Appendix "A".*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a similar point of order. I spoke yesterday to the government House leader, and unfortunately he could not give me consent at that time. The question concerned the documents tabled by the Minister of Transport (Mr. Lang) which purportedly was correspondence from the Commissioner of Official Languages who is an officer of this parliament. I wonder if he is in a position today to advise whether those documents could be appended to *Hansard*, or shown in today's *Hansard* in some form? Appending them would be acceptable.

Mr. Lang: Mr. Speaker, I would be happy to append the two letters, if that is what the hon. member refers to. I would not think it necessary to append the excerpt from a newspaper report which was included.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: Agreed, and so ordered.

[*Editor's Note: For letters referred to, see Appendix "B".*]

[Mr. Speaker.]

Mr. Sharp: Mr. Speaker, yesterday I indicated that today I would seek an order of the House to return to routine proceedings at 8 p.m. for the purpose of a statement by the President of the Treasury Board and for the tabling of certain documents by the Minister of Finance. I would ask whether an order of this kind could be approved now.

Mr. Baker (Grenville-Carleton): Mr. Speaker, there have been consultations, and we are prepared to approve.

Mr. Knowles (Winnipeg North Centre): We agree.

Mr. Beaudoin: Agreed.

Mr. Speaker: It is agreed, and so ordered. At eight o'clock tonight this House will revert to routine proceedings for the prupose of receiving a statement by the President of Treasury Board and the tabling of certain documents by the Minister of Finance. I think the House ought to be clear that this is an interruption of the regular procedure and ought to be done without prejudice to the position of whatever might be the order of the day at that time in respect to its continuing presence on the order paper. Is it agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I take it that the usual rule about statements will apply.

Mr. Speaker: Other circumstances this afternoon notwithstanding, there certainly would be no indication to the contrary.

● (1530)

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,117, 3,142, 3,190, 3,231, 3,344, 3,473, 3,474, 3,475, 3,476, 3,487, 3,550, 3,560, 3,564, 3,575, 3,613, 3,635 and 3,646.

[*Text*]

CUSTOMS AND EXCISE OFFICE, DRUMHELLER, ALBERTA

Question No. 3,117—**Mr. Schumacher:**

1. On what date was the Customs and Excise office of the Department of National Revenue (a) opened (b) closed in Drumheller, Alberta?

2. For each of the years it was in operation, what were the costs for (a) rental space and utilities (b) salaries (c) how many individuals were employed?

3. On what date was the Zenith toll-free telephone number substituted for the manned office in Drumheller?

4. By year since instigated, what was the cost for service on the Zenith number and when was it discontinued?

5. What alternate service is now offered to residents in and around Drumheller?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of National Revenue and Public Works as follows: 1. (a) May 1, 1925. (b) May 15, 1969.

2. (a) There were no lease costs as the space occupied was in a Crown-owned Building. The estimated cost of utilities for the 714 sq. ft. of space occupied between the period May 1, 1925, to May 15, 1969, is as follows: 1925 to 1935, $150 per year; 1936 to 1946, $200 per year, 1947 to 1957, $225 per year; 1958 to 1968, $250 per year; 1969, $40 per year. (b) Records of salaries from 1925 to 1945 inclusive are not available. Salaries paid from 1946 to 1969 were as follows: 1946, $1,280; 1947, $2,580; 1948, $2,760; 1949, $2,760; 1950, $3,108; 1951, $3,108; 1952, $3,340; 1953, $3,600; 1954, $3,600; 1955, $3,600; 1956, $3,900; 1957, $4,170; 1958, $4,170; 1959, $4,170; 1960, $4,720; 1961, $4,770; 1962, $4,950; 1963, $5,100; 1964, $5,100; 1965, $5,370; 1966, $5,624; 1967, $6,024; 1968, $6,446; 1969, $2,646. (c) Four individuals were employed during that period: R. E. Hanson, May 1, 1925—May 31, 1931; Alexander McAskill, June 1, 1931—August 31, 1950; A. D. Foster, September 1, 1950—March 29, 1953; A. Scollick, March 30, 1953—May 15, 1969.

3. May 6, 1974.

4. The cost for service on the Zenith number was $2,221.13 for the whole Province of Alberta. No figures are available to show the cost for service for Drumheller, Alberta. The Zenith number was discontinued February 28, 1975.

5. Residents in and around Drumheller can obtain alternate service from the Customs and Excise office in Calgary.

CRIME IN MONCTON, N.B.

Question No. 3,142—**Mr. Landers:**

1. How many inmates have been incarcerated in Dorchester Penitentiary since January 1, 1970?

2. (a) Of what crime or crimes were they convicted (b) what length of sentence was imposed in each case?

3. How many incarcerated in Dorchester since January 1, 1970 (a) were convicted in Saint John, New Brunswick (b) were not convicted in the Atlantic Provinces (c) had previous records (d) had previously been sentenced to penitentiary terms?

4. (a) Of what crime or crimes were those from outside Atlantic Canada convicted (b) what sentences were imposed?

5. In what location were those convicted outside Atlantic Canada paroled upon release since January 1, 1970?

6. What correlation is there between an increase in crime generally and drug related and violent crime specifically in Moncton, New Brunswick, and parolees from Dorchester Penitentiary who had been convicted outside (a) Moncton (b) Atlantic Canada?

7. How many inmates of Dorchester have escaped since January 1, 1970 and, of these, how many have been convicted of crimes during their escape?

8. How many have been convicted of offences (criminal or drug related) subsequent to their release from this maximum security penitentiary since January 1, 1970?

9. How many parolees have been convicted of offences (criminal or drug related) subsequent to their release from this maximum security penitentiary since January 1, 1970?

10. How many have been paroled against the wishes of the staff of Dorchester since January 1, 1970?

11. Since January 1, 1965, what has been the annual (a) capital cost (b) repair cost in relation to Dorchester Penitentiary?

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12. Of the total inmates incarcerated in Dorchester since January 1, 1970, what percentage of each of their total sentences had been served prior to them being paroled or transferred elsewhere?

13. Since January 1, 1970, how many (a) inmates (b) staff of Dorchester Penitentiary have been treated medically for injuries (c) how many of these injuries resulted in charges being laid?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of the Solicitor General and Statistics Canada as follows: 1 to 5 and 7 to 13. The information requested is not readily available to provide an answer to these questions. A response to these questions would require a file search of approximately 5,000 files and would involve the employment of one person for approximately 44 weeks or the equivalent of approximately $12,000 in salary. In view of the above, the government does not feel justified in undertaking such a search.

6. The information required to answer this question is not readily available as relationships would have to be made between police reports on crime occurrences, court returns on persons convicted and correctional data on parolees. Statistics Canada does not currently possess the facility to relate these series.

REVENUE YIELD OF CAPITAL GAINS TAX

Question No. 3,190—**Mr. Reynolds:**

1. How much revenue has been derived from the capital gains tax since its inception?

2. What are the estimates in revenue from the capital gains tax for the year 1975?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): 1 and 2. On the basis of published data concerning 1972 and 1973 personal income tax returns, it is estimated that revenues from taxation of capital gains were approximately $40 million and $75 million for the 1972 and 1973 taxation years respectively. Data are not yet available for the 1974 and 1975 taxation years. It is not government policy to provide forecasts fo government revenues from a subcomponent. (e.g. capital gains) of a tax.

CONTRACTS FOR OFFICE PLANTS, NATIONAL MUSEUMS

Question No. 3,231—**Mr. Coates:**

1. Was the contract for office plants, flowers, decorative plants, etc., and their maintenance on behalf of the National Museums subject to tendering and (a) if not, for what reason (b) if so, who was asked to submit a bid and what was the amount in each case?

2. How much was spent on the original purchase of plants and flowers?

3. How much additional money is spent annually on the (a) purchase (b) maintenance of all plants and flowers?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the National Museums of Canada as follows: There were four contracts placed for plant maintenance during the fiscal year 1975-76. The first one was subject to tendering. 1. (a) Only one firm was asked to quote on the second, third and fourth contracts because it is apparent that this service is only available from limited sources and past experience has indicated that it is in the best interests of the Corporation to renew previous contracts which have proven satisfacto-

ry. (b) The first was awarded to Fines Flowers Ltd., the low bidder @ $40 per month against Vlaming Tree Nursery (Bid $285 per month). Imperial Nursery (no bid) and Artistic Landscape (no bid). The second contract was for $28 per month and Fines Flowers Ltd. quote was accepted. The third contract was for $24 per month and Fines Flowers Ltd. quote was accepted. The fourth contract was for $190 per month and Fines Flowers Ltd. quote was accepted.

2. It would require an inordinate amount of research to obtain the information requested as until recent years records were not maintained in such a way as to allow easy retrieval of the data in question.

3. (a) In the current fiscal year to date, April 1, 1975 to November 1, 1975—$2,366. (b) Nil.

PUBLIC SERVICE—BILINGUALISM

Question No. 3,344—**Mr. Coates:**

1. How many persons employed in the Public Service are (a) unilingual English (b) unilingual French (c) bilingual?

2. What is the breakdown for each year 1970-71 to date?

Hon. Jean Chrétien (President of the Treasury Board): Available information is provided for persons employed in the Public Service under the Public Service Staff Relations Act, Section 2, Part 1 of Schedule 1 and is recorded in the Official Language Information System. (1) As of October 20, 1975 the number of persons employed in the Public Service who are: (a) Unilingual English, 169,419. (b) Unilingual French, 42,754. (c) Bilingual (see note 1), 28,822. Total persons recorded, 240,995. Per cent of encumbered bilingual positions occupied by bilingual incumbents, 66.31 per cent.

(2) A breakdown for each year 1970-71 to date cannot be provided as statistics are only available for 1974. The December 31st 1974 situation was as follows: (a) Unilingual English, 165,009. (b) Unilingual French, 40,904. (c) Bilingual (see note 1), 22,831. Total persons recorded, 228,744. Per cent of encumbered bilingual positions occupied by bilingual incumbents, 55.92 per cent.

NOTES: The number of Bilingual Persons is defined as those who meet the language requirements of a bilingual position.

No data is available on the number of bilingual Public Servants who are occupying unilingual positions.

NATIONAL ARTS CENTRE—POSITIONS OF MUSICAL DIRECTOR AND CONDUCTOR OF ORCHESTRA

Question No. 3,473—**Mr. Stevens:**

1. Who holds the position of (a) Musical Director (b) Conductor of the Orchestra of the National Arts Centre?

2. Is the position of (a) Musical Director (b) Conductor a (i) salaried position and, if so, what was or will be the classification and salary range of the position for each of the fiscal years 1972, 1973, 1974, 1975 and 1976 (ii) contract position and, if so, for what period within each fiscal year was the contract in force and what amount was or will be paid under the contract in each of the fiscal years 1972, 1973, 1974, 1975 and 1976?

3. Were any payments additional to their salaries made to them by the National Arts Centre Corporation or any other government emanation from public funds, for each of the fiscal years 1972, 1973, 1974 and 1975 and are any planned for 1976 and, if so (a) for what purpose was the payment made (b) was the payment in the form of a salary or contract, and in what range or dollar amount (c) what were the periods of service for which remuneration was made?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the National Arts Centre as follows: 1. Mr. Maric Bernardi is both (a) Director of Music and (b) Conductor of the Orchestra of the National Arts Centre.

2. (i) No. (ii) Yes. Twenty weeks a year. The Centre does not disclose artists' fees.

3. Yes. Additional payments were made each year listed and are planned for 1976. The Centre has no knowledge of any other fees paid to Mr. Bernardi. (a) Conducting operas. (b) Contract. The Centre does not disclose artists' fees. (c) Preparation and planning all year, rehearsals and performances in June and July.

NATIONAL ARTS CENTRE PRODUCTIONS

Question No. 3,474—**Mr. Stevens:**

1. With respect to the answer to Question No. 3,079 with which "theatrical/musical" producers in Canada or the United States does the National Arts Centre Corporation regard itself as being in competition?

2. Do any of the "theatrical/musical" producers within Canada with whom the NAC regards itself as being in competition, receive government financial assistance in any form and, if so (a) what are their names (b) in what form was the financial assistance given for each fiscal year (i) 1974 (ii) 1975 (iii) 1976?

3. With respect to the production of the three operas specified in Question No. 3,079 with what "unions, professional associations and artists' agents" did the NAC deal in making expenditures on each of (a) salaries, wages or *ex gratia* payments to (i) cast members (ii) musicians (iii) technicians (iv) supporting personnel (b) materials and labour relating to (i) costume fabrication (ii) set construction (iii) properties fabrication?

4. Would it be disadvantageous for the NAC to reveal the total costs of preparation and production of each of the operas specified in Question No. 3,079 and, if so, in what way?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the National Arts Centre as follows: 1. With none in Canada. With the following opera companies in the United States: Aspen Music Festival, Boston, Caramoor Festival, Central City (Denver), Chautaugua, Chicago Lyric, Cincinnati, Colorado, Fresno, Grant Park (Chigago), Houston, Lake George, Long Island, Los Angeles, Metropolitan (New York), Newport, North Virginia, Pennsylvania, St. Paul, San Francisco, Santa Fe, Santa Monica, Saratoga, Seattle, West Hartford, Wolf Trap (Washington).

2. Not applicable.

3. (a) (i) Actors' Equity Association, Ars Musicalis Society, Artists International Management, Association of Canadian Television and Radio Artists, Columbia Artists Management, Cone/Susman Artists Representative, Hart/Murdock Artists Management, Hurok Concerts Inc., Jim Sardos Management, John Goodwin, L'Union des Artistes, Mabel H. Laine. (ii) American Federation of Musicians. (iii) International Alliance of Theatrical Stage Employees (IATSE) Locals 471, 890 and 257. (iv) IATSE, United Scenic Artists, Artists International Management. (b) (i) Nil. (ii) IATSE, United Scenic Artists. (iii) IATSE.

4. Yes. Revealing total preparation and production costs of specific operas would stimulate the constant pressure of artists' agents and others to increase the amount of fees paid by the Centre (and so by other Canadian producers).

FESTIVAL CANADA, 1975

Question No. 3,475—**Mr. Stevens:**

1. What productions or programmes were funded by the estimated $775,000 spent during the Festival Canada 1975 programme, and how many performances were given of each?

2. Does this figure include expenditures on (a) salaries for the National Arts Centre Orchestra (b) salaries for (i) cast members (ii) light and sound technical personnel (iii) set constructors (iv) costumes (v) property persons (vi) stage managers (vii) house manager (viii) ushers (ix) ticket takers (c) promotion (d) accommodation for visiting cast and crew (e) rehearsal time?

3. If any of the items specified in Part 2 were not included in the cost estimate for the Festival Canada 1975 programme, what was the cost of each expenditure on the programme?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the National Arts Centre as follows: 1. La Belle Hélène (3), Magic Flute (4), La Traviata (5), Italian Opening Concert (NACO) (1), Operetta Concert (NACO) (1), Montreal Symphony Orchestra (1), Orford Quartet (2), Cabaret Bel Canto (40), Magic Tom (26, Little Red Riding Hood (5), Huggett Family (9).

2. (a) Yes. (b) Yes, except for (vii) house manager.

3. Yes. Salary for house manager. It is not the practice of NAC to allocate the salary of house manager to any specific programme.

NATIONAL ARTS CENTRE—BUDGETS FOR OPERAS

Question No. 3,476—**Mr. Stevens:**

1. For each opera identified in Question No. 3,079, what was the expenditure budget figure prepared in the planning by the National Arts Centre Corporation?

2. Were any of the budgets exceeded by actual expenditures and, if so, by what amount?

3. What is the policy of the NAC regarding the advance costing of production and are any corrective alterations in production planning procedures made as a result of budget overruns?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the National Arts Centre as follows: 1. See answer to part 4 of Question 3,474.

2. Yes, by $54,183 as of October 31, 1974.

3. The Centre employs a 3-stage procedure in estimating opera production costs. Stage 1 is based on research and analysis and takes into account every item which will affect the eventual cost of production, e.g. the number and required quality of principal singers, chorus, dancers and extras, musicians, artistic and support staff, stage-crew and technicians; number of sets, costumes and properties; hours of cast, technical and orchestral rehearsal; royalties, freight, fringe benefits etc. These costs are projected some 18 months to 2 years ahead. Stage 2 follows selection of artists and artistic staff and determination of artistic concept. These decisions require some adjustments to each opera's budget. Stage 3 occurs when final designs have been received and costed. Adjustments are made both to designs and to budgets at this point and the final line-items set. During the production period all costs are recorded daily and weekly and are constantly monitored in order to keep budgets. The following corrective steps have been taken. The supervision of the work and expenditures of all departments providing services to the Festival Department has been placed with a senior officer; departmental responsibilities have been clarified; a production coordinator, responsible for monitoring costs, has been added to the staff of the Festival Department.

OCCUPATIONAL AND INDUSTRIAL MEDICINE

Question No. 3,487—**Mr. Jones:**

1. What department or agency is responsible for occupational and industrial medicine in Canada?

2. If no federal department assumes any responsibility in this field, what does each province contribute?

3. What regulations, if any, have been adopted federally and provincially with respect to the general field of occupational and industrial medicine?

4. Have any regulations been adopted which cover the manufacture of vinyl chloride?

5. Has there been any research to discover whether vinyl chloride is a possible cause of angiosarcoma and, if not, is any contemplated and on what date?

Hon. Marc Lalonde (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: 1. Several federal departments and agencies administer legislation relating to occupational and industrial medicine in Canada. The Department of National Health and Welfare acts as health advisor to these departments and agencies on occupational health matters.

2. Not applicable. See reply to question 1.

3. Federal: (a) Canada Labour (Safety) Code; (b) Canada Dangerous Substances Regulations; (c) Atomic Energy Control Act and Regulations (d) Radiation Emitting Devices Act and Regulations; (e) Order in Council P.C. 3686 relating to Occupational Health in the Public Service. Provincial: Each province has legislation concerning occupational and industrial medicine.

4. Regulations have been adopted in the Province of Ontario and proposed in the Province of Quebec. (Note: Regulations respecting the manufacture of industrial chemicals are not the responsibility of the Federal Department of National Health and Welfare.)

5. Yes.

FLOOD DAMAGES—QUEBEC

Question No. 3,550—**Mr. Lefebvre:**

1. Since July 1, 1975, what was the total amount claimed in repayment for damages caused by flooding in (a) the Province of Quebec (b) the Constituency of Pontiac (c) each municipality in the Constituency of Pontiac?

2. Of the total amount claimed in the Constituency of Pontiac, what was the amount of money and the number of claims accepted for reimbursement under the federal-provincial agreement for (a) individuals (b) provincial government (c) provincial government agencies (d) municipal governments (e) school boards (f) business and manufacturing establishments (g) any other group?

3. Of the total amount accepted for payment in the Province of Quebec under the federal-provincial agreement, what amount will be provided by the (a) government (b) provincial government?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): 1. The federal government has agreed to share costs incurred by Quebec as a result of the 1974 floods. The costs are to be shared in accordance with the established federal policy under which the amount of the federal financial contribution is determined by the application of a graduated population-based formula to the actual eligible costs incurred by the province. Accordingly, the amount of the federal financial contribution cannot be accurately calculated until a claim is received from the province and the provincial figures audited. A claim from the province has not yet been received, but the province has recently indicated that it will soon be submitting its claim for payment of the amount due, and that it is now ready for a federal audit. It is expected that the audit will be completed by the end of the 1975 calendar year.

2 and 3. See above.

CBC—PRESERVATION OF ARCHIVAL MATERIAL

Question No. 3,560—**Mr. Fairweather:**

1. Did CBC destroy one hour special documentaries covering seven years of the Dominion Drama Festival now Theatre Canada and, if so, what is the explanation for such a policy and were Theatre Canada officials asked for their advice?

2. What is CBC's policy regarding preservation of archival material?

3. Does CBC maintain archives?

4. Will the Public Archives be contacted before decisions are made about destruction of tapes?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Videotapes of CBC's coverage of Dominion Drama Festival finals have been erased to allow re-use of the tapes. Black and white television recordings on film exist for most of the final events over the past eight years. In three cases, where there is no record of the total production, color film segments of the dramatic portions exist. Theatre Canada has not been consulted.

2. CBC has developed a comprehensive policy governing preservation of archival material. In general, programs are selected for retention in accordance with a number of criteria. These relate to such matters as the history and culture of Canada, and broadcasting as a means of entertaining and informing people. The selection of programs for permanent retention is limited by the funds and space available for this purpose.

3. CBC maintains film and tape archives for radio and television at its production centers.

4. CBC and Public Archives of Canada signed an agreement in February 1975 providing for close consultation between the two organizations about retention of programs.

[Mr. Lefebvre.]

FINANCIAL ASSISTANCE AGREEMENT RELATING TO CONSTRUCTION AND EQUIPMENT OF SCHOOLS—QUEBEC

Question No. 3,564—**Mr. Lambert (Bellechasse):**

Is there a financial assistance agreement between the government and the Government of the Province of Quebec concerning the construction and equipment of schools and, if so (a) what is its nature (b) on what date was it signed (c) for what school level?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Regional Economic Expansion is concerned: There is no financial assistance agreement between the Department of Regional Economic Expansion and the Government of the Province of Quebec for the construction and equipment of schools. However, under the Special Areas Agreements for Quebec City, Trois-Rivières and Sept-Îles/Port Cartier signed June 8, 1970, the Department of Regional Economic Expansion has provided loans for the construction and installation of equipment in composite schools (i.e. secondary school level) in order to improve urban living conditions. In so far as the Department of the Secretary of State is concerned: Yes. (a) Under the federal-provincial programme for the development of bilingualism in education, the province of Quebec can be reimbursed, as can all other provinces, up to $100,000 annually for expenses related to the construction or improvement of language training centres. These centres can be used for activities and purposes connected with language training and research. (b) On April 1, 1974. (c) All levels.

CHILEAN AND VIETNAMESE REFUGEES IN WINNIPEG

Question No. 3,575—**Mr. Whiteway:**

1. How many (a) Chilean (b) Vietnamese refugees are registered with the Department of Manpower and Immigration in Winnipeg and what are their names and addresses?

2. In each case, what specific goods and services were (a) promised to them prior to their arrival in Canada (b) in fact, provided to those registered with the Department of Manpower and Immigration in Winnipeg?

3. Is it government policy or the policy of the Minister of Manpower and Immigration to classify all information pertaining to refugees as privileged information?

4. Did the Minister issue a directive to the Department of Manpower and Immigration Office in Winnipeg that would have the effect of preventing scrutiny of information by the public or by a Member of Parliament?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. On October 31, 1975, there were (a) 159 Chilean and (b) 95 Vietnamese refugees registered with the Canada Manpower Centre in Winnipeg. It is not departmental policy to publish the names of our clients as this information is considered to be confidential.

2. (a) It is not the policy of the Department to make specific promises to individual prospective immigrants. Prior to their arrival in Canada, Chilean and Vietnamese refugees were informed that Canada Manpower Centres would assist them in finding suitable employment and in establishing themselves in Canada; (b) Services were provided in accordance with existing departmental policies and include placement services, interpreters and language training as appropriate, and funds for such items as food, shelter, clothing, furniture, household equipment and dental care.

3. It is the policy of the Department of Manpower and Immigration to consider information pertaining to all clients including refugees as confidential and it will not be disclosed except where necessary in the discharge of the Department's responsibilities.

4. No.

CBC—LAWYERS RETAINED IN VICTORIA, B.C.

Question No. 3,613—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Canadian Broadcasting Corporation during 1973 and 1974?

2. By year, what was the total amount paid to each?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Nil.

2. Not applicable.

MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY—RETENTION OF LAWYERS IN VICTORIA, B.C.

Question No. 3,635—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Ministry of State for Science and Technology during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. C. M. Drury (Minister of State for Science and Technology): In so far as the Ministry of State for Science and Technology is concerned: 1. Nil.

2. Nil.

RCMP PATROLS

Question No. 3,646—**Mr. Cossitt:**

Has the RCMP ever conducted patrols or inspections on a regular basis or otherwise of property owned personally by the Prime Minister located approximately twenty-five miles from Mirabel Airport and, if so (a) for what reason (b) how often (c) what factors justify expenditure of public funds for such inspections in connection with property owned but not occupied by the Prime Minister?

Hon. Warren Allmand (Solicitor General): No.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 3,073 could be made an order for return, this return would be tabled immediately.

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

[*Text*]

POST OFFICE NATIONAL FACILITIES PROGRAMME

Question No. 3,073—**Mr. Rodriguez:**

1. For each transaction or contract of $1 million or more in the Post Office National Facilities Programme (a) what is the value of the contract or transaction (b) what are the principal features of the transaction (e.g., size and description of land, size of building, quantity of equipment, etc.) (c) what is the name of the company involved (d) who are the principal owners and officers of the company (e) in what manner was the contract let (f) was the contract tendered and, if not, for what reason (g) did the contract go to the lowest bidder and, if not, what are the names of the bidders and the amount of their bid (h) what is the location of the post office involved?

2. What is the basic cost of (a) LSMs (b) CFCs (c) OCRs and, for what reason is there such a wide variation in planned costs of LSMs (e.g., 3 in Winnipeg for $4.7 million, 3 in Scarborough for $4.0 million, 7 in Vancouver for $6.6 million, etc.)?

3. Are land costs excluded for major projects in Toronto and Montreal and, if so, for what reason?

4. What is the (a) maximum (b) minimum number of (i) LSMs (ii) CFCs (iii) OCRs that might be expected to be operating by 1980 and what centres are affected in each case?

5. What are the CUPW staffing estimates associated with each estimate in Part 4 compared to current staffing?

6. What is the breakdown by classification and major job function for each large centre?

7. How many transfers requiring the moving of families of employees are likely to be required to make full job security for present CUPW employees consistent with the estimates in Part 4?

Return tabled.

GOVERNMENT ORDERS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed, from Wednesday, December 17, 1975, consideration of Bill C-69, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, and of motion No. 16 of the hon. member for Timiskaming (Mr. Peters).

Mr. Charles Eugène Dionne (Kamouraska): Mr. Speaker, when we adjourned yesterday, we were discussing the hardships experienced by the unemployed because of complexities in the act regarding unavailability as well as periods of disqualification and nonpayment.

And on that occasion, I recall that I mentioned there were three classes of civil servants: one that works well, another that works at delayed action and the third that does not work at all.

Yesterday evening, while looking over my heavy mail dealing with unemployment problems, I found a fourth class, the one that works backwards. And I shall prove to you how this can happen.

Mr. Beaudoin: Those who work backwards are always the highest paid!

Mr. Dionne (Kamouraska): I have on hand the text of various decisions given by an umpire. Please note that this means that the claimant has been subjected to a number of annoyances, and that he has tried to meet the requirements of civil servants who administer a legislation far too complicated. He has waited a long time, several months before his case was put to the umpire, and very often, and I have proof of that, the decisions taken by the UIC officials are being amended by the umpire. All this proves beyond any doubt that complications deriving from a badly drafted legislation are bound to bring about wrong decisions. The term "available" as defined in dictionaries does not imply the responsibility to look for work, it implies that one is willing to work.

For instance, the fireman is available for work, his main job is to help fight fires. But he is not expected to look for fires to extinguish and much less to cause some. Therefore, the fireman is available, is waiting, according to the definitions found in dictionaries.

The power granted to the Unemployment Insurance Commission to make certain regulations concerning the proof required is derived from section 58 of the act.

Proof that he meets the requirements entitling him to receive benefit or continue to receive benefits . . .

It is a well known principle in law that a regulation cannot exceed the scope of the act. What is complicating things in the unemployment insurance is the fact that once the act has been passed, regulations have also been established at irregular intervals that amend the act or give a different scope to the text of the act.

In section 25 three conditions are set: capability of work, availability for and incapability of work. Regulation 145(9) by associating availability and incapability of obtaining employment and by requiring as evidence of those two conditions usual and reasonable inquiries to find employment extends the scope of section 25a), because the word "availability" by its own definition does not include the idea of proceedings or inquiry, it is rather for incapability obtaining employment that evidence of proceedings to obtain employment must be given.

There is quite a difference in the interpretation of the definition. Another important restriction is made in section 25 of the bill by deleting in regulation 145(9) the word "suitable" before "employment". To obtain employment or to obtain suitable employment are two different things. Suitable employment is that which can be reasonably expected as a result of one's own qualifications. The word employment, without qualifier, does not take into account the qualifications of the claimant.

In my opinion, it is not necessary to consider the incapability of obtaining employment and the capability of work.

Section 145 of the regulations extends the meaning of the word "available" as used in section 25 of the bill. It is defined as follows in Webster:

Available: that is accessible or may obtained

Used momentarily without effective service. According to that definition "available" means that is accessible or may be obtained. It does not infer reasonable proceedings unless they are taken by the commission and that the claimant is ready to accept employment proposals. In my opinion, such a condition only applies to prove the incapability of obtaining suitable employment. I feel that the evidence required in section 145(9) of the regulations is outside the scope of section 58 of the legislation for the word "available" appearing in section 25. "Available" according to the Webster definition implies an expectancy, a state of passivity. This is, in my opinion, contrary to reasonable and usual efforts.

● (1540)

[*English*]

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member, but his time has expired. The hon. member may continue if he has the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Dionne (Kamouraska): I thank my colleagues for giving me the opportunity to continue my explanations about the difficulties that result from this complicated legislation for the unemployed. The proof required under section 145 of the regulations does not apply to availability because otherwise the regulations would be stricter than the act under clause 25. So they wanted to complicate everything and the legislation is drafted in a style that is not understandable to workers. I mentioned this on more than one occasion and the very clear proof I bring today is likely to clarify the problem.

If unemployed workers are disqualified by officers when they submit their claims and then manage to meet the required formalities and wait out the delay set out to go before the board or referees, then the decision of the officer is maintained. If he is lucky to be supported by a member of the union or a member of Parliament who is rather well disposed towards the unemployed that guy will go up to the umpire. In many cases, the umpire decides to amend the decision of the members of the board of referees and the decision of the officer who let the unemployed suffer during six or seven months. So that is the kind of legislation we do not want to pass; that is the kind of legislation we want to see amended because it results in too many hardships for unemployed workers.

As I said yesterday, the unemployed are not responsible for the unemployment that exists now. So, since they are not responsible for it the administration, the government in the final analysis supports the cause of the difficulties generated by unemployment; it must at least try to find a formula to help, through understanding legislation, workers who are faced with this problem. Why does that exist? Hundreds of officers in all unemployment insurance offices are there to accept claims for benefits, check and then send letters and all sorts of reports—there are 20 to 25 forms prepared in advance, and it is only a matter of adding the name of the claimant. Those forms include restrictions most of the time.

I have the opportunity to discuss those problems when I am actively involved in them rather regularly; I would not want by the facts that I am mentioning people to have the impression that the officers at offices in my area—Rivière-du-Loup and Lévis—are worse than others. I get along rather well, my relationship with those employees of the

Unemployment Insurance Commission is good. However, it is the law that is too complicated, and that is what we would want to have changed, and if most citizens, members of parliament better understood the situation of the unemployed, the hardships he goes through because of the complications resulting from a situation that he did not contribute to create, I am convinced that legislation could not be accepted without amendments. I would amend it anyway.

● (1550)

I still have much to say on that subject and I expect to continue. I shall not exaggerate as this House was kind enough to give me a few minutes more but to conclude I shall quote from the decision of the umpire.

We must establish if the claimant was available for work according to section 25(a) of the legislation.

And this was not in my area, but in the Montreal area.

Lets us note what the umpire said:

In its majority decision, the arbitration board noted that in most places where an application was made, experience was required.

She had looked for employment but the employers had asked if she had some experience related to the job. As she did not have enough experience, she was disqualified. That's all. But the umpire realized the absurdity of the situation and tried to find a solution. He added and I quote:

I am convinced that it is absurd to ask a claimant to look for employment and then to hold against her the fact that she was refused employment because of her lack of experience. This line of argument on the part of the board reveals a more serious lack: the lack of basic justice.

And we should note that the words of the umpire applied to all those who studied the file of the claimant. It was studied by civil servants and then by members of the arbitration board. As I could see myself, many decisions of the arbitration board are made in advance. It might be audacious to say this, but I think it is true. The matter is studied before the claimant appears before the board and their decision is already made. He did not make enough efforts, he did not take the necessary steps and then they make a decision that cause the unemployed to suffer and they sow the seeds of discontentment and revolution in Canada. You cannot keep people in poverty that long. This government will have to find some other solution.

An hon. Member: That is true!

Mr. Dionne (Kamouraska): I will end my statement on that particular item by quoting, since that has become as widespread as the difficulties of the Unemployment Insurance Commission, an editorial of November 4 1974 on CJRC entitled, quote:

"UIC-no bargain! . . ."

We have already on some occasions underlined the almost overall lack of efficiency in the UIC throughout Canada.

When I deal with another item, I will quote certain situations which occured in Chandler, in the Montreal area, in the Northwest Territories, and I will have positive proof to give. The quotation goes on:

Unemployment Insurance Act

In a previous editorial, we dealt with the lack of understanding and irresponsibility of a number of officers in the UIC as well as the arbitrary rulings they make more often than other, thus crushing the rights of unemployed workers who become the actual slaves of that plan. . . which in fact is theirs! You will remember a few weeks ago we mentioned a confidential, internal document of the Unemployment Insurance Commission which said that it was none of civil servants' business to tell people concerned when it was time to file a benefit claim or urge them to do so. . . or to inform them of their possible entitlement to benefit.

Good! That may be clever, but unfortunately this situation has been going on for too long. In that respect, a guideline will have to be sent out to all employees of the UIC.

An hon. Member: It is still going on.

Mr. Dionne (Kamouraska):

The document also says that the claimant who pleads ignorance of the provisions of the act and the ensuing duties and obligations cannot have good excuse for his negligence. We are treating people as society's garbage when unfortunately they happen to be unemployed. They also think that the hundreds of thousands of unemployed in Canada should be experienced parliamentarians fully conversant with the intricacies of such legislation as the Unemployment Insurance Act.

But here is something else. A document prepared by the CNTU indicates that almost $36 million have been overpaid by the commission during 1973, due to mistakes on its part. And that because very few claimants know the duration of their benefit period and generally they are left unaware of their rights and obligations. As a result of its bad administration, the commission requires all claimants to return overpayments. It is a harassment policy for which they are not responsible at all, but for which they suffer the consequences.

Certainly, there is something wrong in the Unemployment Insurance Commission and we must clean the place to put an end to such situations. The faster the better!

And today, they try to proceed quickly. They would like this bill to be passed as quickly as possible. Indeed a number of members are as much in a hurry to leave on holidays as I am. But the Unemployment Insurance Act is not suitable for Canadians because it is too complicated and we must amend it. And I hope that those who have some responsibilities and who take to heart the well-being of our workers who are facing problems because the administration does not give them the opportunity to work, will be prepared to stay here as long as the act will not be amended.

[*English*]

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Turner (London East)): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred. The House will now proceed to motion No. 17.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Was it not the decision of Mr. Speaker that at this point four motions would be put for debate? Should not all four motions be put now?

Mr. Alexander: That is correct, Mr. Speaker; motions Nos. 17, 18, 19 and 20.

The Acting Speaker (Mr. Turner (London East)): The hon. member for Hamilton West (Mr. Alexander) moves:

Motion No. 17.

That Bill C-69, an Act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 22.

The hon. member for Winnipeg North (Mr. Orlikow) moves:

Motion No. 18.

That Bill C-69, an Act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 22.

The hon. member for Hamilton West moves:

Motion No. 19.

That Bill C-69, an Act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 36.

The hon. member for Winnipeg North moves:

Motion No. 20.

That Bill C-69, an Act to amend the Unemployment Insurance Act, 1971, be amended by deleting clause 36.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I do not intend to be too long with respect to the motions placed on the order paper on behalf of my party. Similar motions in support of my motions have been moved by the NDP.

Mr. Rodriguez: Come on!

Mr. Alexander: They are the same motions. What we are talking about is the benchmark. If the hon. member would only realize what is happening on the order paper in terms of what his party is doing, he would not be saying, "Come on!"

When the white paper on unemployment insurance was brought into effect by way of legislation in 1971, the then minister responsible for the implementation of the new Unemployment Insurance Act was most concerned about government participation in the scheme. He indicated that we had a tripartite arrangement. After considerable research and input from several departments, by the academics and others all over this country, the government, in its wisdom, felt that the period at which time it should be involved with unemployment insurance, in terms of additional expense, administration of benefits and what-not, would be when unemployment insurance reached 4 per cent. There is no question about that.

[The Acting Speaker (Mr. Turner (London East)).]

At that time the Economic Council of Canada indicated that full employment was, in the round, 3.6 per cent to 3.8 per cent. At that time we questioned the then minister in terms of the effectiveness of the 4 per cent unemployment insurance benchmark which he was bringing in showing whether in fact there was concern by government about the need to create full employment. We set it at 4 per cent. It appears to me that at that time the government did not recognize that the Economic Council was saying 3.8 per cent. Well, we harangued and we fought and we carried on, and in the long run the 4 per cent figure was reached.

● (1600)

All hon. members who were members of the committee at that time thought the government could be taken as telling the truth and that it would stand behind this particular benchmark. We had thought, as a result of this 4 per cent that the government had indicated, that 4 per cent was an ideal figure for the government to have in mind in terms of unemployment. As a matter of fact, the then minister, and I am quoting him, when commenting on the self-financing aspect of the white paper said:

> The government is not only willing to help the unemployed and the less advantaged by providing a system of income support during an adjustment process; it is also ready to assume the cost of extra unemployment insurance benefits when the national unemployment rate exceeds 4 per cent . . . This policy is perhaps one of the most interesting in the entire proposal. It clearly establishes the government's responsibility for the financial support of a national unemployment insurance program over and above the self-financing aspect.

In other words, below 4 per cent it was up to the employer and the employees under the tripartite arrangement to be responsible for the cost of unemployment insurance, and at 4 per cent and up the government would come in both in the initial benefit period and the extended benefit period. Now, in their usual manner of a 180-degree turn, or flipflop, taking the phrase which is more appealing, they have said, "The economic factors and the worldwide implications have led us to the conclusion that the old benchmark is no good any more. We must have another one on an eight-year average." This means that rather than having the benchmark at 4 per cent, it has moved up to something like 5 or 6 per cent this year—and the way the government treats employment and unemployment, we can expect that figure, based on an eight-year average, to move up.

It seems to me the government has done two things. First, it has opted out of its responsibility in terms of fighting unemployment. That is obvious because the benchmark has gone up. Second, it has indicated that it is not really concerned about fighting the abuses. This has been pointed out on several occasions, particularly by two or three of those who appeared before the committee in terms of giving us their expertise. I would quote from the first paper presented by the Canadian Council on Social Development dated November 20. I read from page 4 where we find: "Some Comments on Specific Proposed Amendments Contained in Bill C-69."

> The most significant change in financial terms is the provision whereby the 4 per cent threshold for determining at what point the government should assume the additional cost of insurance benefits would be altered. The current focus and rate of unemployment would still apply in the case of extended benefits but in the case of additional

benefits an eight-year moving average is proposed which would lift the "trigger point" to approximately 5.6 per cent in 1976.

In addition to making an already complex piece of legislation even more complicated, this formula has all the appearance of a shell game. There are a number of elements of shiftiness in the proposal. First, the government is attempting to show its good faith to the general public in reducing expenditures when all it is doing is shifting its committed expenditures unilaterally to the other two so-called partners, the employees and employers, in financing unemployment insurance.

Then they say:

Second, we are concerned particularly about the increase in cost passed on to the employees. Although we recognize that employer contributions will also rise, we doubt whether many are under great illusions as to who will ultimately pay for those contributions. We would agree with David Dodge when he wrote in the March edition of The Review of Income and Wealth: "Both economic theory and the weight of empirical evidence indicate that 100 per cent of these employer contributions . . . are shifted back to the employee and not borne by the employer". The employee bears the cost either through his wages or as a consumer through higher prices for the employers' products.

I would also like to bring home another point with respect to this increased premium. It is registered in the same brief on page 5. Mr. Reuben Baetz, speaking on behalf of the Canadian Council on Social Development, states:

It is a moot point whether the 14 to 21 per cent increase in premiums for employees can even fall within the federal government's proposed guidelines on wages and prices.

I hope the minister will be answering that point, because it seems to me we are heading for something like a 55 per cent increase in premiums. I want to put on record another statement coming from the Canadian Labour Congress. I am reading from its brief of November 20. Mr. Chafe of the CLC gave of his time to attend the committee and tell us what he thought about the amendments. Speaking about the benchmark, he said—and these are really my main points with respect to this iniquitous portion of the bill:

This proposed change has two effects. First, it reduces the government's expenditures, giving an image of restraint. In fact, of course, the government is merely shifting the costs, via the hidden tax of premium payments, on to the private sector. Second, the government is redefining full employment from the former already too high level of 4 per cent to whatever unemployment has in fact been.

These are further criticisms expressed by a responsible organization. I should like to go back to another important point in the brief of the Canadian Council on Social Development. It indicated that the first instance of shiftiness was related to premiums and spoke of "an element of shiftiness". Then Mr. Baetz indicated there was another element of shiftiness when he said:

The other element of shiftiness in the change in financing the unemployment insurance fund is that it implies a continuing abrogation of the responsibility of the federal government for establishing full employment conditions. The minister has alluded somewhat vaguely to changes in the structure of the Canadian labour market as justifying a new and presumably a higher benchmark for normal rates of employment. I have grave suspicions that the Economic Council of Canada's current study of the labour market will support this rationale and lead to a second adjustment in their original 3 per cent target. One can only interpret this as an accommodation to past failure—

What is wrong here is that the government's archaic approach, in terms of fiscal and monetary policy in attempting to defeat high unemployment, has in effect resulted in some evidence of its ineptness and inability to deal with the problem of unemployment. Therefore, because they cannot do it, because they do not have the brains or the policy to do it, they want to move that benchmark up in order to save face in terms of their own involvement. This is wrong, because they indicated to us at one time that the benchmark was 4 per cent. But what does it do? It does not only move the government, within the scheme, to another level but it imposes a regressive tax on the employer and the employee.

We have just heard the Minister of Finance (Mr. Macdonald) indicate that there will be 10 per cent surtax on those who are fortunate enough to be making $30,000 a year. Thank goodness they are working. Thank goodness that the way the government is operating, they do not all quit and go on unemployment insurance. In any event, here is a tax which came in just today. Wait until the people hear about that. Wait until they really understand what has happened to the Unemployment Insurance Act in terms of this amendment.

● (1610)

So at this time we have another regressive tax. Back in 1971 the premium for the employee was only 9 cents per week for $100. In 1974, within three years, this had gone up to $1.40 per week per $100. By July of this year it had gone up to $2.59 per $100 per week, and now according to the announcement by the minister the other day, on January 1, 1976, it will go up to $3.30 per $100. The minister says that is only pennies because he has a formula whereby it is added and subtracted and subject to a lot of computation by the experts in his department. He says the people do not mind because on ratio it only amounts to a few pennies. But we are not talking about pennies; we are talking about dollars.

Mr. Andras: I rise on a point of order, Mr. Speaker. If I understood the hon. member correctly, I think he would want to correct the figure. I believe he said it was to be $3.30 per $100. That is incorrect. Assuming the passage of this bill, it is likely to be $1.65 per $100 per week of earnings from the employee, and possibly $2.31 from the employer per $100 per week.

Mr. Alexander: I am pleased to have the minister correct me in this regard. However, it doesn't matter very much what you do with my figure—in any event, it is too high and that is my point. I do not want these silly interventions in an attempt to check me up on 50 cents. I would welcome serious interjections. My point is that as a result of the ineptness of this government, these people will have to pay more in taxes. What this government should really be doing, if it is concerned about high costs and high expenses—

An hon. Member: Refer to the bill.

Mr. Alexander: Why don't you go back to sleep? You haven't made any contribution to this debate yet, and I resent interjections from an hon. member of that sort.

The Acting Speaker (Mr. Turner (London East)): Order, please. Would the hon. member for Hamilton West (Mr. Alexander) please direct his remarks to the Chair.

Mr. Alexander: I was speaking to the hon. member through you, Mr. Speaker. Let me try to move forward in my remarks, because we all know we are pressed for time. I should like to make some salient points for the edifica-

tion of not only the minister but the people of Canada. What this government should be doing is looking at the rules of the game. It is in this respect the government has gone wrong. This government came out with a cosmetic approach to a very serious problem which resulted in shafting our senior citizens and the poor. We have gone through that exercise, but we have not directed the government's attention to the eight-week eligibility period and the number of weeks an individual can obtain unemployment insurance benefits after being involved in the work force for that eight-week period.

The minister says the government is looking at the benefit structure. He says he is going to bring in something—I do not want to misquote him, but I think he said he intended to bring in some "serious amendment or a "very significant" amendment. Either one will do. The fact of the matter is that this bill does not do a doggone thing in facing the problems which exists in the unemployment insurance scheme today. We are aware of this, and for that and other reasons we will vote against the bill on third reading.

There is one other thing the minister should be directing his attention to that is of extreme importance. There has been no recognition of the total family as an income unit. Has the minister thought about this, or is this part of the benefit structure to which he has referred? Is this another matter he is thinking about, or should think about? I hope he will give this matter consideration in his benefit structure review. What is the situation in respect of seasonal workers, many of whom earn up to $30,000 a year during a very limited time in the work force, perhaps seven or eight months? I am not suggesting it is wrong for them to be involved, but I want the minister and his officials to advise me and the people of Canada about what is going on.

In summing up, I have really just two or three points. It has been agreed upon, understood and generally accepted, that the benchmark for unemployment accepted by the government is 4 per cent of the labour force. Over and above this figure the government has to step in and make contributions. We reject any new formula which the minister envisages over and above this amount, and in this regard I say the government has been less than honest with the Canadian people. We resent this proposal for another reason. We resent any regressive tax being placed on employers and employees. I wonder how long employers can put up with intervention by this government. Such intervention creates a great deal of paperwork for these people. Think of the situation, now, with the government wage and price controls. I do not know how employers will survive with this added burden.

Perhaps I should not say this is all right for the Steel Company of Canada, but at least that and similar companies can afford to hire accountants and lawyers to fill out the forms required by this legislation and other legislation under the restraint program. This filling-out of forms costs money in terms of real dollars and time. What about the small businessman? He has to fill out these forms and already has an added tax in respect of unemployment insurance, all because this minister and this government have not been able to attack the high rate of unemployment. This is a shameful scenario.

Some hon. Members: Oh, oh!

[Mr. Alexander.]

Mr. Alexander: We hear from another hon. member over on the other side, that very beautiful friend of mine. I do not want to start any problems with her.

An hon. Member: You should.

Mr. Alexander: No way! I know when I can win and I know when I am likely to lose. I will just let it stop there before we get another interjection. I hope hon. members realize what is going on. When this bill is passed—and it will be, with this government and its strength over there—and the Canadian people are catching up now, slowly but surely, I hope those members will go back and tell their constituents just what is happening. I hope they will tell their constituents just how honest this government has been in setting that benchmark of 4 per cent and now making their usual 180-degree turn.

I hope they will also tell their constituents how this government has shafted the people by asking for more money to put into the unemployment insurance scheme. This government believes that more money will provide a panacea, but the proposed amendments will do nothing to solve the problems that exist. These are problems of magnitude—and if the hon. member does not understand that now, he has no business being here.

Mr. David Orlikow (Winnipeg North): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Orlikow: Before I have said even a word I hear some rude interjection by the same voice that was interrupting the hon. member for Hamilton West (Mr. Alexander). I warned hon. members days ago that such interjections will only lengthen the time I take to discuss this matter.

Mr. Alexander: They don't understand that.

Mr. Orlikow: I invite the hon. member to continue his abuse, because sometimes it helps in making a better speech. The hon. member for Hamilton West and I have suggested the amendment should be left out of the present act. This is perhaps the most important amendment suggested to the 1971 Unemployment Insurance Act because it so drastically affects the method of financing the whole insurance plan. In 1971, the Liberals told us that keeping unemployment low was of major importance. The then minister of manpower said that our system was really on trial, if we could not operate on the basis of lower rates of unemployment than were traditional. When he said that, we had been having a rate of unemployment of between 4 per cent and 5 per cent.

• (1620)

What has happened since we passed that bill in June of 1971? Since that time, the rate of unemployment has fallen below 5 per cent in only one month. In 1971, the average rate of unemployment was 6.4 per cent; in 1972, it was 6.3 per cent; in 1973, it was 5.6 per cent; in 1974 it was 5.4 per cent; and in the first 11 months of this year it averaged over 7 per cent. The monthly rate has been above 7 per cent for the last nine months. It was only slightly below 7 per cent in the two preceding months. For the past six months we have experienced the highest rate of unemployment since the spring of 1961.

If, according to the former minister of manpower when he introduced the major revision of 1971, the whole system was on trial, and if the rate of 4 per cent to 5 per cent in the period before 1971 was on trial, then obviously the rates we have had since then, and this year's rate of 7 per cent, have settled the trial. The system has been judged, and found guilty.

What about the future? What is likely to happen in the coming year? I know the minister would consider any prediction I might use as partisan, so I shall refer the minister and hon. members to a very good analysis which appeared in the business section of the *Globe and Mail* for November 25, 1975, entitled, "Unemployment Could Become Canada's No. 1 Problem". This article is written by Arthur Donner and Fred Lazar who write regularly for the *Globe and Mail*. Let me put on the record some of the things these two, quite well-known economists have to say about the coming year:

During the third quarter of this year, Canada's seasonally adjusted unemployment rate averaged 7.2 per cent, the highest rate of unemployment since the second quarter of 1961. The sharp rise in the rate from the 4.9 per cent level in June, 1974 to the 7.2 per cent level in October of this year has been the direct result of the North American economic slowdown.

I hope hon. members will note "North American economic slowdown". They go on to say:

During the past year, jobs have not been created fast enough to keep pace with the growth of the labor force. Despite the popular rhetoric, the unemployment insurance scheme and the various provincial and federal social assistance programs have played no role in contributing to the dramatic increase in the rate.

To digress for a moment, what they are saying is that the minister's Manpower training program, the flexibility in the Manpower offices, all the assistance programs under the Canada Assistance Plan, the programs under the Department of Indian Affairs and Northern Development and under the Department of the Secretary of State, do not have any real effect in combating this serious increase in the rate of unemployment. They say, further:

Though it is quite clear that inflation is at present Canada's No. 1 political and economic problem, it is also clear to us that the combined effects of income controls, deliberately tighter monetary and fiscal policies, and the extremely low utilization rates in U.S. industry, provide little optimism for expecting any improvement in our unemployment picture. Indeed, if the labor force growth rate does not moderate significantly during the next two years, Canada's unemployment rate may rise to its highest level since the depression.

They go on to make estimates, some of which I should like to put on the record. They say later in the same article:

—it is quite likely that the unemployment rate will rise further as the industrial recovery gains momentum in 1976. This tendency for unemployment to lag behind the industrial recovery is common during the early stages of an economic recovery. Moreover, as a result of the new uncertainties, the private sector will prove more cautious in expanding its work force than during similar cyclical periods in the past. In addition, the recently announced slowdowns in new jobs in the federal public service will exacerbate the pressures on unemployment.

Let us keep that in mind tonight when we get the statement on how government expenditures are to be cut. The cut in government expenditures will probably add another 1 per cent to the unemployment rate in Canada. Then they go on to give three possible forecasts. I will put only one on the record. They say:

The most likely scenario envisages a moderation in the growth rate of the labour force to 2.5 per cent, and an acceleration in productivity growth to 3.2 per cent, and a further rise in the unemployment rate to an average of 7.7 per cent in 1976. In the absence of controls and the accompanying fiscal measures, the real growth of the economy would have been high enough to prevent the unemployment rate from rising above the 1975 level in this scenario.

In other words, what these two, quite well-known economists are saying is that we will have an increase of at least another half per cent in our unemployment. What does that mean in terms of this bill? Faced with an insoluble dilemma created by their mishandling of the economy in recent years, the Liberals have decided to let the ordinary working people of this country pay for the government's mistakes. The government has been incapable of keeping unemployment down to a reasonable level: indeed, it has gone up. This means big pay-outs from the unemployment insurance fund. Total UIC benefits paid jumped from just under $700 million in 1970 to just under $900 million in 1971, to in the neighbourhood of $2 billion in each of the last three years. In 1975 it is expected to be about $3.75 billion.

With an expected rate of unemployment, for 1976, of in the neighbourhood of 7.6 per cent, the pay-outs will easily go over $4 billion and could approach $5 billion. Under the existing legislation, using the 4 per cent benchmark which the former minister of manpower used and which he was so proud would not go any higher—indeed, he said the objective of the Liberal government would be to reduce that 4 per cent—$2 billion of the 1975 pay-out comes from employer and employee contributions and $1.75 billion comes from the government. If the 1976 pay-out approaches $5 billion, the government's contribution will just about double since it has committed itself to absorb all the extra costs of unemployment beyond the 4 per cent level.

At the same time, the government is faced with the problem of inflation. The Prime Minister (Mr. Trudeau) stated that we must deal with this problem. It is the same problem the government supposedly wrestled to the ground in 1969-70, which had the effect of creating a much larger number of unemployed people. Now we are promised more of the same. What will happen? The Prime Minister's friends in the business world have told him that inflation is the most important problem facing this country and that the only way to cure it is to have large lay-offs of workers so that they will not be tempted to ask for raises. "Put the fear of the Lord into the workers," says the business community.

Of course, the government, remembering what happened in 1972, is afraid to do that. Therefore, it figured out another solution: to put a heavy tax on reduced consumer demand—not to do it directly, but to do it in the form of a disguised tax by shifting some of the cost of unemployment insurance on to the backs of working people. That is precisely what changing the 4 per cent threshold in the way in which the minister is proposing will do. As usual, it is the ordinary working man, particularly the working man and working woman in the lower income bracket, who will have to pay for the government's mistake.

● (1630)

Under the act, the government has agreed to pay all the extra costs of unemployment insurance when the unemployment rate goes over 4 per cent. This means that the combined employer-employee contributions must pay for

the first 4 per cent of unemployment. The government now says that normal unemployment, if you look at the last few years, is higher than 4 per cent. In fact, the government says that the average rate of unemployment over the past eight years has been 5.3 per cent, and in 1976 over the preceding year it will be about 5.6 per cent. So, says the government, this is where our payments will begin.

Employer-employee contributions will have to pay for the first 5.6 per cent unemployment, rather than just the 4 per cent. In 1977 it will be raised to somewhere around the first 6 per cent. The government claims that this would raise the rate of premiums of workers from $1.40 per $100 to around $1.60 to $1.70, and the government, if they said what they really mean, will shift on to the workers' backs about $500 million in 1976 through increased premiums. Other groups are likely to be closer to $2 per $100, and the government will be shifting about $800 million in 1976 to the people who are paying premiums.

As the unemployment rate goes up, moreover, the amount of the potential pay-out which the government saves will go up as well. In other words, as unemployment increases, as ordinary people do worse, the government will do better. Was there ever a greater perversion of the way in which a government, which supposedly believes in equity, should operate than that? As more people are unemployed, as the rate of inflation goes up, as the cost of living goes up, as people find it more difficult to meet the ordinary basic need for food, heat and shelter, they get rocked by a very sharp increase in a hidden tax, an increase in the unemployment insurance premium.

It is important to note that not only is this hidden tax pernicious, but it is regressive. The UIC contributions come off all incomes at the same rate, and there is a fairly low ceiling on contributions, so the UIC premiums present a larger proportion of the income of lower paid workers than of higher paid workers, and the increase will come primarily out of the pockets of lower paid workers of whom there are many more than higher paid workers.

Compare this increase, which has been estimated to run at between 30 per cent and 40 per cent a year—if unemployment continues at the present rate of increase, as I indicated it probably will—with the way in which the government has dealt with taxpayers in the upper level. We heard today, during the period allotted to statements, the statement of the Minister of Finance (Mr. Macdonald) supposedly proposing a surtax. I say "supposedly" because I am convinced that the only thing the minister wants out of his proposal today is a headline in tomorrow's newspapers and the lead story on tonight's television news on both CBC and CTV which will read something like "Surtax Imposed to Soak the Rich".

Let us compare this 30 per cent to 40 per cent increase which the minister is proposing in premiums, not just for this coming year but for the next two or three years, with what the Minister of Finance proposed this afternoon. If somebody has a taxable income of $40,000, as compared to a taxable income this last year of $30,000—in other words, if he has an increase in his income of $10,000—the surtax will not apply on the first $8,000. What is the surtax? The surtax is 10 per cent, so he will pay an extra $200 on the $10,000 which he made over and above the tax he will have paid. But keep in mind that one of the bad ideas the government has adopted in the last couple of years, an idea which was first proposed by the official opposition, was that income taxes should be indexed. As inflation goes up, income tax is reduced by the amount of the increase in the cost of living.

[Mr. Orlikow.]

An hon. Member: That was a great idea.

Mr. Orlikow: It sounds great, but let us look at what it does. The ordinary citizen at the bottom of the scale, who pays income tax, gets a tax deduction, as a result of indexing, of between $10 and $35. But for the taxpayer in the upper income bracket with a taxable income of, say, $18,000 and more, we are talking about tax reductions which run literally into hundreds, if not thousands, of dollars—keeping in mind the 10 per cent cost of living increase this year. So when the surtax which the minister proposes today is imposed on 1976 incomes, and when the taxpayer makes the deduction for indexing which was first proposed by the Leader of the official opposition and adopted by the former minister of finance in one of his recent budgets, the taxpayer in the high income bracket with a $40,000 taxable income, about whom the Minister of Finance spoke earlier today, will be paying less money in income tax than he paid in 1975. Those are the facts.

What did the indexing do? Keep in mind that the indexing mostly benefited people in the upper income bracket. Indexing cost the federal treasury $1.3 billion. This is the figure of the people in the finance department in the province of Manitoba. It cost the provinces another $300 million; so we are talking about $1.6 billion. Tonight we will get a statement showing how the government proposes to cut $1.5 billion from next year's expenditures—not $1.5 billion less than we spent last year, but $1.5 billion less than they proposed to spend in the coming year.

● (1640)

I am all for cutting government expenditures which are unnecessary—we will be talking about the kinds of expenditures which should be cut—and I am all for cutting programs which have outlived their usefulness. But what we will get tonight is mainly cuts in major programs which will affect ordinary people. While the government is doing that, it will have lost, through indexing, $1.5 billion in 1975 and probably substantially more in 1976. However, let us consider what some of the other government measures have done. Let us keep in mind that in the so-called tax reform of 1971 the maximum tax on personal income was reduced from 60 per cent to the neighbourhood of 40 per cent, 42 per cent or 43 per cent. That was a very substantial saving in taxes for people in upper income brackets. However, that was not the only thing the government did. The government extended the two-year fast write-off for manufacturers in a recent budget, despite the fact that there was no substantive evidence of its impact as a job creating measure, and despite the fact that even before the extension was announced, capital expenditures in manufacturing, which the measure was designed to stimulate, were expected to increase by 38 per cent. The manufacturing and processing industries continue to pay tax at only a 40 per cent corporate income tax rate, a rate lower than that applied to individuals with taxable incomes of $12,000.

Mining and petroleum corporations have their tax rates increased to 50 per cent under the budget proposals, and then effectively cut to 35 per cent if the provinces do not take up the additional federal abatements. Yet according to the latest available data of a year ago, those industries paid corporation income tax on under 50 per cent of their book profits, that is, profits determined in accordance with sound accounting principles. Although these figures predate the 1972 tax measures, there has been no evidence to suggest any major change has taken place since that time.

Until this year the tax policy of the government has led to increased corporate profits. For example, corporate profits increased by over 21 per cent in 1972, by 35.7 per cent in 1973, and by 33 per cent in the first three-quarters of 1974 over the same period in 1973. There has been a reduction in corporate profits this year, not because of anything the government has done and not because the government overtaxed or undertaxed, but because, as I indicated earlier, there was a dramatic slowdown in the world economy, particularly in those sectors of the world economy in which Canada was involved. There was a sharp reduction in the demand for Canadian lumber, Canadian minerals such as copper, nickel, zinc and iron ore—I could go down the list. As a result of that, corporate profits are down. But if the economy turns up—and the government has been banking for the last year on an upturn in the economy of the United States—the Canadian worker will be faced with a 10 per cent ceiling on increases in wages which he can receive. He will be faced with an increased cost of living which is continuing at the same rate as last year, that is, at about 10 per cent. Canadian corporations will be right back into business, making bigger profits than ever.

Let me return to the clause of the bill to which I, members of our party and, I am happy to see, members of the official opposition take exception because it is a rejection of what has been, at least in words, government policy since the end of World War II, or 30 years. I refer to acceptance of the idea that we in this country, because of our tremendous natural wealth, our well-educated work force and the times and conditions which exist in this country, can aim for and come close to full employment. What is full employment? The Economic Council used to say that it is 3 per cent. Then it said it was 4 per cent. But we can see, from the attitude of the government in this bill and from this particular clause, that if the government talks about full employment—which it does very seldom—it is talking about something around 6 per cent. We completely regret that kind of idea. We say that this country is big enough, wealthy enough and educated enough to have an unemployment rate of not more than 4 per cent. We say that when the government introduces the kind of proposal which is embodied in this clause, it has rejected its commitment to full employment.

Before I conclude, let me put on the record something I did in the case of an earlier clause of this bill, the views of the Canadian Council on Social Development. The Canadian Council on Social Development is a national agency which includes in its membership virtually all the private and public agencies interested in welfare problems and manpower problems in this country. This agency is funded by federal and provincial governments, so I assume by that funding the federal government considers it to be a responsible and knowledgeable organization. Let me quote a few paragraphs from its submission on this bill with particular reference to this clause. It says in part:

> In addition to making an already complex piece of legislation even more complicated, this formula has all the appearances to us of a shell game. There are a number of elements of shiftiness in this proposal.
>
> First, the government is attempting to show its good faith to the general public in reducing expenditures when, indeed, all it is doing is shifting its committed expenditures unilaterally to the other so-called two partners, the employees and the employers, in financing unemployment insurance.

Later the submission reads:

> —we are concerned particularly about the increase in cost passed on to the employees. Although we recognize that the employer contributions will also rise, we doubt if many are under great delusions as to who will ultimately pay for the employers' contributions. We would agree with David Dodge when he stated in the edition of the Review of Income and Wealth
>
> ... The low income earner is particularly hard hit and will feel the pinch both in absolute and relative terms more because the maximum insurable income is limited just short of $10,000.

Mr. Dodge also said the following:

> It has occurred to me that it is a moot point whether the 14 to 21 per cent increase in premiums for employees can even fall within the federal government's proposed guidelines on wages and prices because that is an increase in his costs.

That is an increase in his costs, and the increase in the cost of heating oil and gas is in the neighbourhood of 30 per cent, and more coming. We were told by the CBC last night that there will be an increase, announced tonight, of another $2 per barrel in the price of oil and an increase in the price of food which has been estimated for next year to be in the neighbourhood of 15 per cent to 18 per cent. The Minister of Agriculture (Mr. Whelan) has told us again and again that, compared with other countries, we are getting cheap food. I have always held the view that the interests of the farmer and the urban dweller are not diametrically opposed and that it is dishonest of people to argue that point. With the exception of grain, the farmer sells virtually all his produce on the Canadian market and he needs the urban dweller who can afford to pay a decent price for it.

● (1650)

I have no complaint with the Canadian farmer. I know that for years he has been receiving far less than his cost of production, but I have been told every day this week by constituents that they cannot afford to pay the increased cost of food. On the CBC national news last night we were told that the support price of wheat for the domestic market will be cut by 25 cents per bushel, and that will mean another cent on the price of a loaf of bread. At the same time it is increasing the unemployment insurance premiums, this government is permitting the cost of food to go up, is encouraging the cost of heating and everything else to go up and is letting people in the upper income brackets off with respect to a tax. I say this is a disgrace. It would have been better if the government had not brought forward its so-called surtax on the wealthy.

I think Abraham Lincoln said that you can fool some of the people some of the time, but you can't all of the people all the time. This government will find that the people of this country are not prepared to accept as truth the nonsense put out by the Prime Minister, the Minister of Finance, and the Minister of Manpower and Immigration

(Mr. Andras) in the last six months. I can think of no proposal more insulting to the ordinary people, no tax so pernicious, unfair and regressive as that which the minister is proposing. He will get it, of course, because of the support of the backbench members of the Liberal party, but that does not mean that he is doing the right thing. It does not mean that this is a fair tax or that the proposal meets the needs of the Canadian people. Because it does not meet the needs of the Canadian people, it is unfair—and because it is regressive it is our intention to oppose this clause and, indeed, to vote against the bill.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in speaking on this amendment regarding the benchmark clause, I find that this is a very interesting change for the government. The Postmaster General (Mr. Mackasey), when he was in charge of putting this revised bill through the House in 1971, was adamant that 4 per cent was the level above which unemployment should not rise and above which it was considered to be a national disaster. But in effect the 4 per cent seems to have been highly visionary. Although, reputedly, there are many hundreds of thousands of unemployed in various parts of the country, it certainly is true that there are many job vacancies. This poses considerable problems for the economy. Canada, of necessity, is a far northern country. We have, in our seasonal work, periods when substantial numbers are unemployed due to the weather, and so on. We rely heavily on export markets, and certain industries such as the grain industry, pulp and paper, lumber and mining which are peculiarly sensitive to the wide swings in prosperity of these industries. I think any discussion of this question is significant when speaking of the benchmark clause.

In effect, the government is going to charge, within a year or two, enough premiums to the employees and employers to take care of the benefit payments exclusive of the extended benefits portion. This would mean that for the year 1974 the initial benefit cost of approximately $16 million would have been covered by premiums. With the rapid rise in unemployment, it is obvious that the government wishes to decrease the burden on the treasury and shift the cost to the employer-employee. It certainly is an indication that this year there is a massive pay out in unemployment insurance, somewhere near the $3.5 billion mark including the cost of administration. On a rule of thumb, approximately 25 per cent of the cost of unemployment insurance is an extended benefit. This means that for the year 1975 the employee-employer contribution, to meet the total initial benefit pay outs, would have to approach $24 million or perhaps $28 million, and $24 million is a 50 per cent increase over what was collected in 1974.

Nevertheless, there is considerable merit in increasing the benchmark so that at least the initial benefit payments are met by deductions; it makes it a better insurance benefit. Increasing the benchmark is not, in itself, necessarily a good thing unless other considerations are met. At the present time, 50 per cent of this year's cost of the benefit pay-out and administration will have to come from the public treasury.

There are large numbers of people who do not qualify to draw unemployment insurance because they are self-employed, retired people or on fixed incomes. They are the ones who, in effect, must contribute through the tax system for the payment of unemployment insurance. I do not believe this is correct, because most of the people are not better off than the beneficiaries of unemployment insurance themselves. Extended benefits, particularly in a time of high unemployment, are still to be carried by the federal treasury and will amount to a substantial sum. This money is raised from the taxpayers at large.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time for private members' hour has arrived.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Victoria-Haliburton (Mr. Scott)—Finance—Small business loans—Request for changes in regulations to alleviate difficulty in obtaining loans; the hon. member for Sault Ste. Marie (Mr. Symes)—Labour Conditions—Strike of pulp and paper workers—Request for report on negotiations; the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—Publishing—Possibility of action to protect Canadian shareholders in *Reader's Digest*.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, private bills and notices of motions.

● (1700)

PRIVATE BILLS

[*English*]

AMALGAMATION OF EASTERN CANADA SAVINGS AND LOAN COMPANY AND CENTRAL AND NOVA SCOTIA TRUST COMPANY

Mr. Herb Breau (Gloucester) moved that Bill S-29, to enable the Eastern Canada Savings and Loan Company and Central and Nova Scotia Trust Company to amalgamate, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

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

Mr. Peters: Mr. Speaker, by leave, now.

Mr. Breau moved that the bill be read the third time and do pass.

Mr. Peters: Mr. Speaker, I rise on a point of order. I am willing to allow the bill to pass, but I would like the hon. member sponsoring this bill, who attended committee meetings and is aware of the facts, to indicate briefly what took place in the committee in relation to some questions asked previously.

Mr. Breau: Mr. Speaker, I rise on a point of order and to seek clarification. Will I have the right to speak later, or will I end the debate if I speak now?

Mr. Deputy Speaker: That, of course, is the prerogative of the House. The hon. member, having moved the motion, is deemed to have spoken, and can speak a second time only with the unanimous consent of the House. He can speak now, as requested, but may speak a second time, according to our procedures, only with unanimous consent.

Mr. Breau: Mr. Speaker, I intended to participate in the debate and ceded the floor to the hon. member for Timiskaming (Mr. Peters), thinking he wanted to speak. I shall be happy to speak now, with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Breau: Mr. Speaker, I thank the House for its courtesy. Bill S-29 is permissive legislation, not mandatory. It permits two companies to amalgamate. Officials of the companies appeared before the committee of the other place and the Standing Committee on Finance, Trade and Economic Affairs of the House of Commons and answered questions asked by honourable members. Eastern Canada Savings and Loan Company is a loan company subject to the Loan Companies Act. Central and Nova Scotia Trust Company was formed under the Trust Companies Act, by the amalgamation of the Central Trust Company of Canada and the Nova Scotia Trust Company, on January 1, 1974.

The Loan Companies Act permits the amalgamation of two loan companies. The Trust Companies Act permits the amalgamation of two trust companies. Neither act permits the amalgamation of a loan company and trust company. If Eastern and Central and Nova Scotia Trust Company are to amalgamate, a private act of parliament is required. These circumstances are set out in the preamble to the bill. The provisions of the bill may be summarized as follows. It permits the amalgamation of the two companies but does not require them to amalgamate. If the two companies are to amalgamate, they shall enter into an amalgamation agreement. For the purposes of the agreement, Eastern is to be considered a trust company. The agreement must set out all those matters which the Trust Companies Act requires two trust companies to agree on if they enter into an amalgamation agreement.

The only major technical difficulty in amalgamating a trust company and loan company is that a trust company is not permitted to issue debentures; instead, it issues guaranteed investment certificates. A loan company may issue debentures; it may not issue guaranteed investment certificates. At the time of amalgamation, Eastern will have debentures outstanding and Central and Nova Scotia Trust will have guaranteed investment certificates outstanding. Section 3 of the act provides for that difficulty. Officials of the companies explained to the Senate committee and House of Commons committee the reasons for amalgamation. In the second reading debate honourable members asked questions relating to the activities of the two companies. I agree that the matter is important, but am not competent to answer questions at the present time. I suggest that honourable members should have asked their questions in committee when officials attended.

I agreed to sponsor the bill, but not because I thought the amalgamation would be better for the Atlantic provinces, for the companies, or for Canada. Obviously, if the legislation created an entirely new corporation, substantiation would be necessary. I agreed to sponsor the bill because if both companies were loan companies existing legislation would allow them to amalgamate; if both were trust companies, existing legislation would allow them to amalgamate; but there is no provision allowing for the amalgamation of a loan and trust company. This, I think, is an anomaly in our statutes. I am, therefore, sponsoring this bill which will allow those two companies to amalgamate, if they so decide. I want to make it clear that I am not making a judgment as to whether it is better for the companies, for the region or for the country if they amalgamate. I suggest that if the shareholders of the two companies want the companies to amalgamate, they ought to be allowed to do so. At present, this is only possible if both companies are either trust companies or loan companies, as I said previously. If two trust companies, or two loan companies in Canada, can amalgamate, I see no reason why a trust company and a loan company should not do the same.

In conclusion, both companies are well known in the four Atlantic provinces and both operate many branches. Central and Nova Scotia Trust operate branch offices in many small communities. There is an office in my constituency, and the company tries—I do not know with what degree of success—to serve all my constituency; indeed, all of northern New Brunswick. The president of Central and Nova Scotia Trust Company told the committee where all the branches are located. I do not have the list with me. I suggest that if the two companies are allowed to amalgamate and so decide, Eastern Canada Savings and Loan Company will provide an expanded service to the clients of the companies who now do business with them. At present, Central and Nova Scotia Trust Company operate a larger network of branch offices.

I hope I have answered the honourable member's question. I thank the House for its courtesy in allowing me, technically, to speak a second time.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I appreciate the comments of the hon. member for Gloucester (Mr. Breau), and because he is so gentlemanly a member I will not move to have the subject matter of the bill referred back to committee for further study. The hon. member is stretching a point when he says that the companies should be allowed to amalgamate because they want to amalgamate and he sees no reason to stop them. We cannot let our financial institutions always do as they like.

Because they want to do something, that does not mean it is right.

Unfortunately, because of the workings of our committee system, members cannot always attend certain committee meetings and know what is said in relation to questions one may have asked. I have been interested in the proliferation of our financial institutions, but not so much in terms of the services they render. I believe that every small community should have a financial institution that can be used for the needs and services in their area.

● (1710)

Every time we look at it, we get another bank. We will soon have banks coming out of our ears. Over the years we allowed the number of banks to decrease to the point where there were only five major ones. There are now 11, and there are requests for two more banks or pseudo-banks to be instituted. It is important that we consider whether this is, or is not, in the national interest.

In the case of this institution, a trust company—which in many ways is pseudo-bank—is amalgamating with a loan company. Our legislation is such that that kind of merger cannot take place without special permission by way of a bill. We are extending the method that this institution will have to raise money that was not available to them to the same degree when they were two separate parts. My interest, and I am sure this is the interest of the sponsor of the bill, is that the moneys raised in the maritimes by this new institution be available to the people of that area. During second reading the mover of the motion stated that this would allow this new financial institution to go into the money markets of Toronto, Montreal—

An hon. Member: And New York.

Mr. Peters: I am not sure whether the New York market was involved. It was, however, to be allowed to move into some of the other Canadian financial markets. If this institution is allowed to operate in those markets it may have the tendency to drain off the savings in a limited area. The banks do this in other areas. Rather than make expenditures where the loans are made, they invest the money in shopping centres, high-rise apartments and other forms of adventure capitalization. This does not help those in the area where the loans were accumulated.

Members representing constituencies such as that represented by the hon. member for Gloucester or my constituency in northern Ontario must be concerned about facilities to invest in the institution through deposits or otherwise for the people of that area. Top priority should be given to the benefits being available in the area in which the funds are accumulated. That was the justification for the Western Bank, the British Columbia Bank, the ethnic bank—

An hon. Member: The left bank.

Mr. Peters: I am interested in the interjections being made by the Conservatives. I presume that in the near future they will have specific desires to proliferate this field. I think even they would agree that when the rich have a bank of their own, they will want to invest for the rich rather than giving their money to the poor. This has been the wish of those starting new financial institutions. I would have been pleased if the sponsor had indicated whether those discussions took place in committee and whether they received a favourable response from the loan company and the trust company being amalgamated under this bill.

I wish this institution every success. I hope it does make its investments in the maritimes and will continue to show favouritism in the area where the money is deposited, as there is a great need there for capital expenditures.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

Mr. Guay (St. Boniface): With your permission, Mr. Speaker, may I call it six o'clock?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree to calling it six o'clock unless there is any possibility that the House will agree to give third reading to Bill C-208 which is on the order paper in the name of the hon. member for Windsor-Walkerville (Mr. MacGuigan). Believe it or not, he has given me authority to move it on his behalf. This is the bill having to do with Heritage Day.

Some hon. Members: No.

Mr. Deputy Speaker: There does not seem to be unanimous consent that we proceed with Bill C-208. Is there unanimous consent to call it six o'clock?

Mr. Peters: Mr. Speaker, under normal procedure we would be proceeding to that item for discussion.

Mr. Baker (Grenville-Carleton): On that same point of order, Mr. Speaker, I wonder if there would be unanimous consent to carry on with the public business and continue with Bill C-69. There would certainly be no objection to that.

Mr. Guay (St. Boniface): We would agree to that, Mr. Speaker.

Mr. Peters: Mr. Speaker, under the rules of the House the next item of business should be called.

Mr. Deputy Speaker: If I follow the suggestion made by the hon. member for Timiskaming (Mr. Peters), because there are no other private bills we must proceed to the second item which is notices of motions, papers, page 64 of last Monday's order paper.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

Mr. Deputy Speaker: Item 34, in the name of the hon. member for Vegreville (Mr. Mazankowski). Shall the item stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: Item 37, in the name of the hon. member for Edmonton Centre (Mr. Paproski). Shall the item stand?

Some hon. Members Stand.

Mr. Deputy Speaker: Item 39, in the name of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). Shall the item stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: Item 35, in the name of the hon. member for Vegreville?

Mr. Peters: To aid you, Mr. Speaker, I suggest that all the motions stand.

Mr. Deputy Speaker: Is it agreed that all these motions stand?

● (1720)

Mr. Guay (St. Boniface): Speaking on behalf of members on this side of the House, may I say we are completely in agreement. We think it is very important that we continue to discuss Bill C-69, provided there is unanimous support. I agree with the suggestion made by the hon. member for Grenville-Carleton (Mr. Baker).

Mr. Baker (Grenville-Carleton): I thank the government whip. I believe it is an important piece of public business. From time to time private members' hour is sacrificed in appropriate circumstances in favour of public business. In this case there is no sacrifice involved because private members' business has been dealt with. It would not be unreasonable for us to agree, on this occasion at least, that the discussion of public business ought to proceed. I hope the NDP House leader will agree.

Mr. Knowles (Winnipeg North Centre): We also thought that Bill C-208 was an important measure. It was dealt with by a committee of the House and reported back, and if the House is not prepared to deal with that business I suggest we should call it six o'clock.

Mr. Breau: Mr. Speaker, I do not think it is fair to those members who were here before five o'clock and who might be interested in the debate on Bill C-69, and did not know it was to be resumed, if we were to follow the course which has been suggested and continue the debate.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Six o'clock.

Anti-Inflation Program

Mr. Deputy Speaker: It being six o'clock, the hour appointed for consideration of private members' business has expired. I do now leave the chair until eight o'clock p.m.

At 5.24 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Speaker: Pursuant to order made earlier this day the House will now revert to routine proceedings for the tabling of documents and statements by ministers.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF MOTION CONCERNING ANTI-INFLATION LEVY, AND OF REGULATIONS

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to lay on the Table of the House a notice of ways and means motion to provide for an anti-inflation levy, and also the regulations made under the Anti-Inflation Act.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—STATEMENT ON CUTS IN GOVERNMENT EXPENDITURES

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, tonight, I wish to make a statement on the steps the government is taking to limit its expenditures during the 1976-77 fiscal year.

The reductions I shall announce can be considered part of our anti-inflation program. We asked all sectors of society to show restraint; the government recognizes that it also must show moderation in its expenditures. There is real public concern about government expenditures at all levels. Canadians are asking us to slow down and pave the way for continued social progress without trying to do everything at the same time.

We have therefore carefully examined all our projected expenditures for next year and reduced them by more than $1.5 billion. We must recognize however that slowing the growth rate of government programs involves painful decisions.

There is very little, almost nothing, that can be cut without hurting someone or without restricting some worthwhile endeavour. I can be stronger than that. With inflation eating up anything there might be in the way of surplus funds in departmental programs, and with the

unyielding attitude of the Treasury Board to new requests, there seems to be nothing that we can do which will not mean a reduction in a transfer payment to a province or to a citizen; or which will not cut grants or contributions to some cultural or social or industrial development activity; or which will not cause a decline in some government service; or which will not restrict the funds available for employment creation.

[*English*]

Despite these difficulties, we have embarked on a serious program of restraint. It is as follows:

In the white paper on inflation, we pledged ourselves to hold down the growth of the Public Service in a statement that read:

"... the federal government has decided that the growth in the authorized level for the federal public service in 1976-77 will be held to 1.5 per cent of the level authorized in the 1975-76 main estimates."

Since we said as well we would meet new priority and essential service requirements within that limit, the Treasury Board had then to cut several thousand man-years from the 1976-77 levels already approved so that many departments will find themselves with smaller manpower resources in 1976-77 than they had in 1974-75.

We are now taking further measures with respect to what I might call the government proper—parliament and the Public Service.

We are introducing a bill to freeze the pay of members of the House of Commons and the Senate for one year—including the salaries of ministers. That is, the increase in pay they would have received in January under existing legislation they will not receive when this bill is enacted into law.

We are doing the same thing to salaries of public servants in the higher pay categories. From now until April, 1977, the pay of deputy ministers, assistant deputy ministers and all those in the senior executive and equivalent category of the Public Service—that is all those whose minimum salaries are $27,500 or more—will be frozen, except for those whose salary is determined by collective bargaining.

The freeze is extended to equivalent order-in-council appointments and to the senior officers of Crown corporations whose salaries the government controls. The Prime Minister (Mr. Trudeau) will write to the heads of Crown corporations to inform them of the desire of the government that the freeze apply to higher salary levels that the corporations themselves have responsibility for setting. He will also seek the co-operation of the Speakers of both Houses in extending the freeze to senior officers who serve the House and Senate.

[*Translation*]

I am sorry, Mr. Speaker, if I make your task more difficult, but I am sure you will want to co-operate with members of the House. The salaries of all judges of the Supreme Court, the Federal Court and the provincial superior courts will not be allowed to rise in 1976-77. We have decided to freeze the level of 1976-77 man-years available for higher-salaried positions—those that command a salary maximum of $30,000 and over—at the level of 1975-76.

To ensure that the freeze will be feasible we will draw from departments a portion of the man-years they have for such positions to establish a pool, to be administered by the Treasury Board, upon which we can draw to provide resources for unavoidable new demands. The freedom of departments in administrative and operating expenditures will be reduced. A series of directives will be issued designed to reduce outlays for advertising by 15 per cent, and for travel, motor vehicles, furniture and conferences. I mean, Mr. Speaker, that first-class travel for officials will be eliminated, motor vehicles will not be changed for new ones, there will not be any purchase of furniture and, of course, the amount of money available for the salaries of those who are hired to replace employees sent on language training will be cut by 20 per cent.

The agency known as Information Canada will be terminated. The book stores and the division which handles expositions for the government will continue to exist as parts of other departments.

Planned accommodation expenditures for the public service have been cut—particularly as a consequence of the greatly restricted growth in numbers. The 1976-77 main estimates provision for the construction of public buildings will be $30 million less than in 1975-76 main estimates.

We are requiring that the Department of External Affairs, which must open some new posts abroad, will do so out of available funds by cutting expenditures for other posts.

Next, government services and subsidies. The Post Office is being held to a growth in manpower very much smaller than in other years and therefore it will not be able to expand its services in the usual way in new communities; and some services will have to be curtailed.

In the field of transport, a number of subsidies will be lowered or removed. Increased charges to the users of airports, such as higher landing charges, will be made to reduce what amounts to a subsidization of those users.

The subsidy on the transcontinental rail passenger service is to be reduced along with the subsidies on the movement of certain commodities under the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act.

● (2010)

[*English*]

Reductions are being made in a number of programs through which Industry, Trade and Commerce has given aid to industrial development and research. The reductions will be made in the program for the advancement of industrial technology, PAIT, in the defence industry productivity program, in shipbuilding subsidies, in tourist industry development and in other smaller grant items. The industrial Research and Development Incentives Act which provides for contributions of $20 million to $30 million a year for industrial research will be repealed.

The dollar and manpower resources of the Department of the Environment will be less than expected. There will be reductions in the capital budget of the fisheries and marine program, in fishing vessel subsidies, and in funds to deal with pollution caused by federal facilities. The government also intends to introduce legislation to produce savings in its contribution to crop insurance schemes.

Savings of $20 million will be made in the Canada Manpower training program by cancelling the indexing of allowances and changing the selection criteria for trainees. The federal government makes extensive grants to aid research by non-governmental organizations. Funds for grants by the Medical Research Council for medical research, by the National Research Council for physical science research, and by the Canada Council for research in the humanities and social sciences will be frozen in 1976-77 at 1975-76 levels rather than increased as in the past to at least compensate for inflation and usually to increase scope. Thus the councils will have to give fewer, or effectively smaller, grants.

While still recognizing the importance of encouraging development in slow-growth regions, the government is freezing the budget for regional economic expansion at the level of 1975-76.

[*Translation*]

The Department of National Defence will reduce its headquarters staff by 10 per cent, thus releasing military personnel for duties outside the National Capital Area. There will be some consolidation of military bases in the interests of greater efficiency and some bases will be closed. The government provides large amounts to finance the deficits of some Crown corporations or by way of loans for their capital expenditures. Various actions are being taken to reduce the amount that would otherwise be disbursed in this way.

The CBC obtains about 80 per cent of its funds from appropriations, the rest from revenues. Appropriations for the CBC next year will be increased only to the extent necessary to cover the inflation in operating and capital costs and the costs of covering the Olympics; previously planned growth will not be financed; the allocation to the Farm Credit Corporation is to be reduced below the allocation for 1975-76.

The Canadian National Railways and the Export Development Corporation will be directed to seek much more of their loan requirements from the same commercial sectors as private corporations so as to reduce the drain on the public purse.

Loans through the Ministry of Energy, Mines and Resources for energy projects will be deliberately held to substantially lower levels in 1976-77 main estimates, about $40 million less than those that appeared in the main estimates of the previous year.

Social Expenditures. We are inevitably led in an exercise such as this to social programs since they account for so very much of the total. The programs of the Department of National Health and Welfare make up more than one-quarter of all federal budgetary expenditures. There are social programs in other departments as well.

[*English*]

I therefore must announce that there will be no Opportunities for Youth Program next summer, and that in the winter of 1976-77 the LIP program will be reduced in cost and confined to high unemployment areas. This winter's LIP program, since it is now under way, will be allowed to continue. The government will stop providing financial support to the Company of Young Canadians at the end of this fiscal year. The travel and exchange program of the Secretary of State Department will be discontinued.

Every year, for many years, Canada has increased its aid to the less well developed countries of the world, so as to donate a greater and greater percentage of the gross national product. In 1976-77 that progress will be halted—only temporarily, I would hope, as the progress should be resumed when our fortunes improve. Next year foreign aid will still grow in dollar terms though it will decline in terms of the GNP.

● (2020)

We will also suspend for one year the indexing of family allowance payments, which would otherwise have increased by $200 million in 1976-77 over 1975-76.

Decisions about these last two items—foreign aid and family allowances—were taken with the greatest reluctance. But the fields of foreign aid, costing $1 billion, and of transfer payments to persons, costing several times that much, could not be overlooked in any serious effort to hold down expenditures.

[*Translation*]

I have mentioned the amendment to the Senate and House of Commons Act. Several other pieces of legislation will require amendment early in the new year to give effect to these reductions, including: the National Transportation Act, the Railway Act, the Maritime Freight Rate Act, the Atlantic Region Freight Assistance Act, the Adult Occupational Training Act, the Company of Young Canadians Act, the Crop Insurance Act, the Industrial Research and Development Incentives Act, the Family Allowances Act, Appropriation Act Number 2, June 26, 1970, Vote 25 (Department of Supply and Services—as it pertains to Information Canada).

[*English*]

Several of the expenditure reductions entail as well a reduction in manpower. I want to say a word to quieten as much as possible the concern of those public servants whose jobs will disappear.

Some hon. Members: Oh, oh!

Mr. Chrétien: I take it very seriously.

Some hon. Members: Hear, hear!

Mr. Chrétien: Employees whose jobs are no longer required will, as far as possible, be reassigned to jobs which are or will become vacant in other parts of the public service. Employees will be retrained or moved to another location if this is necessary to facilitate the reassignment.

Only when reassignment efforts fail will employees be laid off or retired, and then they will receive the normal severance pay and retirement benefits.

These procedures were developed in co-operation with employee union representatives who have already been informed of areas where lay-offs could occur, and they will be further consulted in this regard.

After all the reductions are made, totalling more than $1.5 billion from the levels we envisaged in November—

Some hon. Members: Mismanagement!

Mr. Grafftey: Bungling!

Mr. Chrétien: I think that someone who cannot look after his own luggage should not be commenting.

Some hon. Members: Hear, hear!

Mr. Chrétien: After all the reductions are made, totalling more than $1.5 billion from the levels we envisaged in November, expenditures for 1976-77 will still grow by several billion dollars over those of 1975-76. The giant expenditure programs that we have not touched—old age security and the guaranteed income supplement; interest charges on the public debt; fiscal transfers to the provinces; other transfers to the provinces for hospital care, medicare, and welfare; payments to the Unemployment Insurance Commission—all have their own dynamics of growth that add billions of dollars to the total. The hundreds of services that remain have to be financed at higher prices and higher salary levels.

The process of controlling and cutting government expenditures is a continuous one and no single set of actions such as these we have taken is sufficient. All of us, the public, the members of parliament, ministers, and public servants, must reduce our demands on the public treasury. Good programs will have to be deferred, reduced or eliminated. Things that need doing will not be done. We must accept that fact if expenditures are to be controlled. The reductions I have announced tonight are not the end of a process; they are merely part of a continuing process of restraint.

In February I will be tabling the main estimates, and at that time I will tell you the growth in total expenditures for 1976-77 which we will be expecting. I cannot say what it will be at this time but I can assure you that it will reflect the government's strong commitment to restraint.

In conclusion I would like to thank all the ministers and the officials in every department who have spent many hours and much time trying to make their points.

Some hon. Members: Hear, hear!

Mr. Chrétien: For six years, one month and three days I have been in departments where I was serving a public which needed some service, and I tell you, as I stand in my place, that I am not a very happy man now but I know that I am doing what I have to do to make sure that this country will grow more prosperous. Many of the programs which we have to stop at this time will be reintroduced in the future—

Some hon. Members: Hear, hear!

Mr. Chrétien: —because we believe on both sides that a responsible government will be able to make this country grow and flourish, not only for ourselves but also for the generations to come.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I want to thank the hon. gentlemen opposite, as well as my own colleagues, for the very warm reception they have accorded me here this evening.

Some hon. Members: Hear, hear!

Mr. Stanfield: But I have to say to you, Sir, that Canadians are now witnessing the price that has to be paid for a government which has been slow to learn, slow to act, but quick to spend, particularly on its own trappings and its own aggrandizement.

Some hon. Members: Hear, hear!

• (2030)

Mr. Stanfield: The same Prime Minister (Mr. Trudeau) who sits across the aisle here this evening went around this country making $4 billion to $5 billion worth of campaign promises last year while he sold this country a bill of goods on leadership.

An hon. Member: Smile away, Pierre.

Some hon. Members: Oh, oh!

Mr. Stanfield: I do not want my hon. friends opposite to tire themselves out this early in the evening because we are just getting started. I think it might be good for them to listen to the truth for a few minutes.

Mr. Guay (St. Boniface): You wouldn't know the difference.

An hon. Member: Who is the Leader of the Opposition?

Mr. Stanfield: I do not blame my hon. friends opposite for trying to distract attention from the performance of the President of the Treasury Board (Mr. Chrétien), but if they want to make it difficult for me to speak tonight, I am sure Mr. Speaker will co-operate with me.

Some hon. Members: Oh, oh!

Mr. Stanfield: After all, I have lived with my hon. friends for a good many years in this House.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps some of the hon. members behind the Leader of the Opposition (Mr. Stanfield) who are shouting most vigorously at the moment should realize that they also can mar an attempt to make a contribution—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: The fact of the matter is, however, that the President of the Treasury Board (Mr. Chrétien), despite one or two incidents of intervention, did have a good, respectful attention, and I think the same ought to be given to all members of the opposition who have the opportunity to speak.

Some hon. Members: Hear, hear!

Mr. Stanfield: It has to be said that it is becoming more apparent each day that the government is not a government of leadership in terms of the Canadian economy. It has been alternately dragging of foot and heavy of hand. It has not led, it has only reacted, and we have a reaction here this evening of some sorts. It has certainly not led by

example in any effective way; on the contrary its own examples of extravagance and high living have had a detrimental effect in contributing to inflationary psychology and inflationary actions throughout our economy.

Where our country is today, where the government is today, and what it says it has to do today—these facts are in themselves a most eloquent condemnation of the government since it came to office.

As far as the repertoire of the Prime Minister is concerned, I suppose he has gone full circle. Early in the day we saw him with a hair shirt doing a hair shirt routine in his first so-called war against inflation. Next we saw him over the years in the arrogant routine, the complacent routine, that rather brief humble routine, then the fighting routine, the invisible routine, and now we are back again to the hair shirt routine.

Some hon. Members: Hear, hear!

Mr. Stanfield: However, this time around the rate of unemployment in the country is about double what it was when the first war against inflation got under way. The forecast budget deficit this fiscal year is over one quarter what total expenditures were at that time. Our forecast balance of payments deficit this year is over a third of what total government expenditures were then. The government's forecast of its cash deficit or requirements this fiscal year is roughly one half of what total government expenditures were when that first war against inflation was declared. Government expenditures have tripled since the Prime Minister took office. Despite all the histrionics we have seen in recent days, expenditures are still up by an undisclosed percentage. It is no wonder that that hair shirt is hairier in 1975 than it was in 1969. It is hairier and scarier.

Some hon. Members: Hear, hear!

Mr. Stanfield: That is the essence of the message we received tonight from the President of the Treasury Board. This minister has not had these responsibilities for a long period of time. I believe he is sincere, and I believe he is prepared to be tough about his job in this House and in the country. I think he is carrying the can for the Prime Minister, just as the country at large will be carrying the burden created by the awful economic incompetence of the government over the years.

It must be painful for the minister to stand in his place tonight and talk about restraint in terms of the examples he has given the House. If effective restraint had begun, say, three years ago when the previous minister of finance first started preaching, we in this country would be undergoing a much less traumatic experience today.

As is so often the case with the government, there is nothing restrained about the panoply with which it has wrapped and packaged this evening's statement. We have the President of the Treasury Board here in the House telling us how difficult and painful this whole affair has been for him. To hear him tell it, there would seem to be grave doubts whether some of his colleagues over there would ever speak to him again.

Shortly, of course, we will see the Prime Minister on television telling the people of Canada how it really hurts him more than it will hurt them, but reassuring one and all that, after all, this government knows best. I dare say that if you did not know the players, if you had not seen this comedy before, you would be tempted to believe it was pretty powerful stuff which was being placed before us. Unfortunately for the government, and even more unfortunately for those who have had to suffer through it, we have, to put it mildly, heard this song before, and not only once before.

The House may recall, for example, hearing the then minister of finance tell us back in 1973 that he was putting a tight rein on government spending to avoid aggravating inflation. That was the year you will recall, Sir, that government expenditures on a national basis increased by 24 per cent. Undaunted as he always was, that same minister of finance was before us in May of 1974, proclaiming a budget which, to use his own words, "reflects my determination to deal with inflation", by restricting spending. As things turned out, that was indeed a vintage year for restraint, as practised by the government. Expenditures increased during that fiscal year by 30 per cent.

● (2040)

Whatever else we granted him, Mr. Speaker, we on this side of the House will admit that the former minister of finance did not let failure stand in his way.

Some hon. Members: Hear, hear!

Mr. Stanfield: He was back at it again last June. This was the year, as he so eloquently put it, of the "tough line," when the declared goal was "to ensure that outlays grow no faster than the economy as a whole". Well, the outlays are going to increase by at last 16 per cent; even the Jean who has succeeded the John concedes that. Oh, Sir, that we had that kind of economic growth!

Given that kind of historical background, Mr. Speaker, you will forgive me if my initial reaction this evening—and I venture to say the initial reaction of many Canadians—is one of profound scepticism.

Some hon. Members: Hear, hear!

Mr. Stanfield: For the unfortunate truth of the matter is that it is the government's sad and sorry record of any semblance of self-restraint in recent years which has brought us to where we are this evening, and which now promises to inflict new hardship on those Canadians least able to bear it.

Some hon. Members: Hear, hear!

Mr. Stanfield: It makes me very angry, Sir, to think of the price these Canadians now must pay for the government's failure even to approach the kind of restraint in its own activities it has so constantly promised.

Take the cuts the minister talked about tonight—he is cutting $1½ billion in expenditures. That has to be described as a con game.

Some hon. Members: Hear, hear!

Mr. Stanfield: He says he is cutting back on the estimates as they stood in November of this year. Mr. Speaker,

every government in Canada goes through this exercise once a year. The requests for expenditures come in from the departments, they are cut down, gone over, and cut down again. Every government goes through this. To talk about cutting $1½ billion from estimates that the government has been working on is an indication of the mentality of the government.

Some hon. Members: Hear, hear!

Mr. Stanfield: Notice that the President of the Treasury Board will not disclose the total from which he is cutting that $1½ billion.

Some hon. Members: Hear, hear!

Mr. Stanfield: He says he had estimates of November last. Well, he must have added them up. If he cannot add them up I am sure there are some people in the public service who must have added them up. Mr. Speaker, he must know what the total of those estimates was last year.

When you claim that you are cutting a billion and a half dollars, if you are acting in good faith you would tell what you were cutting from; you would tell the House what the total was before you cut, and you would tell the House what the total is after you cut.

Some hon. Members: Hear, hear!

Mr. Stanfield: There is a very good reason why the minister has not told the House—because a lot of this is very phony.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is a public relations job. He says he is cutting a billion and a half dollars from the estimates, Mr. Speaker. About half of those alleged cuts are non-budgetary. About half of them are outside the budget. Let us forget for a moment how hon. gentlemen opposite applauded the government when it drowned its own children, like Information Canada and CYC.

Some hon. Members: Hear, hear!

Mr. Stanfield: The biggest single cut is outside the budget—some $330 million in direct financing to the CNR. What a cut! The CNR is being invited to go out and raise that money publicly rather than borrowing it from the government. That is the biggest single cut that the government has made.

Mr. Trudeau: What of the hardship?

Mr. Stanfield: Real hardship!

Mr. Trudeau: What are you complaining about?

Mr. Stanfield: Mr. Speaker, I do not want to take the time of the House to go over what the Auditor General said.

Mr. Guay (St. Boniface): You don't dare!

Mr. Stanfield: Well, I will. If you want it read I will read it out. The Auditor General said:

[Mr. Stanfield.]

> The study leads to one clear conclusion: the present state of the financial management and control systems of the departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness.

Some hon. Members: Hear, hear!

Mr. Mazankowski: And that is not Maxwell Henderson.

Mr. Stanfield: Yet the President of the Treasury Board stands in this House tonight and says:

> . . . there seems to be nothing that we can do which will not mean a reduction . . . which will not cut grants or contributions to some cultural or social or industrial development activity; or which will not cause a decline in some government service; or which will not restrict the funds available for employment creation.

The minister will not admit the validity of the Auditor General's comment upon the operation of the Treasury Board and the government. The minister comes before the House trying to pretend to the Canadian people that there are not vast sums of money being wasted. I put it this way, Mr. Speaker—those fellows spill more than a billion and a half dollars each year.

Some hon. Members: Hear, hear!

Mr. Stanfield: What is so painfully obvious tonight is that the government has no philosophy—no continuity of rationale in its economic approaches.

Mr. Jamieson: Like the Tories.

Mr. Stanfield: Mr. Speaker, if the minister wants to take the time I will be happy to take him through elections in recent years.

Some hon. Members: Hear, hear!

Mr. Stanfield: Here is what the minister said about the government's approach to inflation. It had three main purposes; first, to reinforce its attack on inflation through encouraging increased supplies of goods and services. Well, that has taken rather a sad blow from the sloppy introduction of the controls program. The second purpose was to act directly against high prices where this was practical. And the third one—listen to this carefully—was to alleviate the adverse impact of rising prices on all Canadians, particularly those with lower incomes.

Some hon. Members: Oh, oh!

Mr. Stanfield: As far as the third aim is concerned—to alleviate the difficulties of Canadians on low incomes in the face of inflation—it is abundantly clear from tonight's announcement that the government is quite prepared to fight inflation on the backs of millions of Canadians who cannot afford the burden.

Some hon. Members: Hear, hear!

● (2050)

Mr. Stanfield: I say that removing the indexing of family allowances for this year is contrary to anything the government has stood for, if it ever stood for anything. Certainly it is contrary to what other parties in the House have advocated, namely, the protection of low income Canadians against inflation. Indeed, Sir, the mere exist-

ence of this kind of indexation gives the government some real motive to fight inflation. This is better than the sort of public relations exercises in which it keeps indulging. We want the government to eliminate inflation and have asked it to reduce inflation, rather than horse around, as it has for years, and then hit those least able to bear it. We need much more evidence of economy and efficiency in government operations before we will agree that there are not substantial expenditures of a much lower priority than family allowances.

Some hon. Members: Hear, hear!

Mr. Stanfield: Indeed, far from giving us that evidence this evening, the President of the Treasury Board has appeared before the House and pretended that there is no possibility of waste. Indeed he indicated that the Auditor General is somewhere away out in left field. Who can believe that?

I view the government's announcement equally in sorrow and anger, and view the government's record equally with incredulity and disgust. It is hard to believe that, given the resources of this country and the resourcefulness of its people, any government could have made so large a mess in so short a time. I say to the President of the Treasury Board and the Prime Minister through you, Sir, that it will be something for Canadians never to forget when the bill is paid.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in the election campaign of 1974 the Liberal party based its claim to economic leadership on two pillars. One of those was the Prime Minister's (Mr. Trudeau) campaign against the issue of wage and price controls raised by the Leader of the Opposition (Mr. Stanfield). That was the first pillar of their campaign. The Liberals then said they would have nothing to do with it. Yet on Thanksgiving Eve that first pillar came down. The Liberals said they were wrong in the campaign. We did not think they were right, but they did a 180 degree about-face and agreed with the Leader of the Opposition.

Their second pillar in the 1974 campaign consisted of all the spending they were to do. For instance, they were to spend money for housing, and make sure, through public financing if necessary, that money was spent to ensure that Canadians owned Canadian resources. They were to spend money on the east coast on the fisheries; you name it, as the Leader of the Opposition said earlier, they would spend money on it. They were to spend money all over the place, to improve, presumably, the well being of all Canadians.

This evening that second pillar came down. I suggest that never before in recent political history, at least since the depression, has any political party abandoned its central claims to political and economic leadership as completely as has the present Liberal party.

Some hon. Members: Hear, hear!

Mr. Broadbent: And all the time it has acted with what one may call arrogant Liberal condescension. When the opposition, my party, or Creditiste members criticize the government, we see those on the other side smiling.

An hon. Member: It is more a smirk.

Mr. Broadbent: It is a smile of condescension which seems to say, "You fellows really don't know what this is all about." Of course we know what lies behind that smile, and I say this seriously. It is simply political cynicism. It simply means that the party knows how to manipulate public opinion, as it has demonstrated in elections. The party has a capacity, unrivalled by any other party of any country in the western world, to gauge the sense or the mood of the people at any given time. Abandoning moral commitments or serious political judgment, it will lay it on thick and tell the electorate everything it seems to want to hear, at any given time.

Some hon. Members: Hear, hear!

Mr. Broadbent: Just as this criticism applies, in my judgment, to their 1974 election campaign, so it applies to the program they announced tonight. They sense that there is a mood in the field of federal as well as provincial politics favouring a cut in government spending, and they are going to cut back. This will be a complete about face on their 1974 campaign promises.

We, of the New Democratic Party, agree that wasteful spending is bad and that bad programs should be scrapped. We agree that the salaries of over-paid members of parliament and civil servants should be curtailed.

Some hon. Members: Hear, hear!

Mr. Broadbent: These are all laudable objectives with which all reasonable people, I suggest, are in accord. I do not think any political party or particular section of the population will disagree with me. I suggest this is beyond dispute.

We agree with certain changes announced this evening. For years we have talked about foolish spending on programs like PAIT, PIP, IRDIA and others which have been defended by various ministers of finance and ministers of industry, trade and commerce. Finally, the government will do something it ought to have done years ago. Information Canada is to go. It ought to have gone some time ago.

We agree to cutbacks in the salaries of over-paid civil servants in the federal bureaucracy, of members of this House and the other place, and of judges of high court. These are acceptable. But the New Democratic Party does not accept the view that Canada requires a holus-bolus, across-the-board cut by the federal government in virtually every department. We categorically reject that view. Such an indiscriminate cutback affects not only bad spending and unnecessary programs, but also good spending and necessary programs. In short, indiscriminate cutbacks in federal or provincial spending are unacceptable and, I argue, have no place in the policy of any who believe in a civilized society.

Unlike the Leader of the Opposition, I believe that real cutbacks are involved in the government announcement. This is not a spurious, superficial game. Unfortunately there are to be serious cutbacks in programs right across the spectrum of federal responsibility. What does this mean? It means that the poor regions of Canada, I am tempted to include all parts east of the Ottawa River, will be adversely affected by the cutback in the spending of the

Department of Regional Economic Expansion. Second, farmers in Canada, whether they reside on the prairies, in the north, or on the east or west coast, will be affected by the cutbacks concerning the Farm Credit Corporation and the crop insurance program.

An hon. Member: Shame!

Mr. Broadbent: Third, families on the east and west coasts will be affected by cutbacks in the fisheries program. This will create real hardship for Canadians engaged in the fisheries particularly on our eastern coasts who already are suffering.

Fourth, those dependent on railways in Canada, on our transportation system, will be hurt. Here I am particularly thinking of Atlantic Canada, the prairies, and northern Ontario. The people in those areas are going to be seriously hurt by the government's cutback aimed at the CNR.

● (2100)

Fifth, every Canadian family, particularly the poor, will suffer as a result of the family allowance cutback. Some five million or six million Canadians, including over 50 per cent of the pensioners in Canada, live at the poverty level. The poor families in particular, that is, men and women with children, will suffer by the cutback in family allowances.

The change that was announced by the government to curtail the indexing of family allowances means approximately a $27 cut per child. I hope the government is happy. I hope it is pleased with that measure that has such profound effects on the millions of Canadian families who exist at the poverty level.

As a party we would not and do not favour the cutbacks in good programs. In fact, instead of cutting back in a number of good programs there should have been some increases, particularly in those programs that effect low income people so that they would be better able to cope with inflation.

The fundamental point is that the government does not recognize that inflation in Canada is not due simply to all kinds of spending in the public sector. The New Democratic Party asserts that there is unnecessary spending in the private sector, whether it is on hotels being built in Montreal, Toronto, or Vancouver, on shopping centres being built in virtually every town in the country or, as my colleague said, on the Olympics. Spending in the private sector is every bit as inflationary in terms of its impact on the economy as is spending in the public sector.

Some hon. Members: Hear, hear!

Mr. Broadbent: In accepting the view that all federal government spending is inflationary, I say with care and seriousness that what the Liberal party has done is to accept a mode of thinking that I thought had disappeared from serious economic thought back in the 1930's. However, the Liberal party has resurrected it in 1975. I would dare to think that even McKenzie King would be surprised at the kind of announcements we have heard here tonight.

Mr. Peters: That is probably where they got them from.

[Mr. Broadbent.]

Mr. Broadbent: Apart from the fact that an NDP government at this time would be cutting out the bad programs, leaving in the good ones, and indeed increasing spending in those that are necessary for low income people, I would like to say there are two particular items that have come before the House this afternoon and this evening on which I cannot forgo comment.

The first is the announcement made with a great deal of pride that the government is going to curtail any increase in the salaries of MP's and senior civil servants. Well, Mr. Speaker, it is a little late to act in that regard. Last year the government made us the highest paid elected members of any parliamentary system in the world.

Mr. Dick: That's bullshit.

Mr. Broadbent: I have obviously touched a sensitive chord.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. There seems to be an element of disagreement with the statement made by the hon. member.

Some hon. Members: Hear, hear!

Mr. Speaker: Perhaps that debate might be reserved for some other time. It would be preferable if the hon. member for Oshawa-Whitby (Mr. Broadbent) would finish his remarks at this time.

Mr. Broadbent: It is obvious where the sense of priorities of certain people lie. They were distinctly quiet when I was talking about the poor in Canada. When I get on to the matter of their salaries, they get a little upset.

The point I was making is that the government is acting a little late with regard to MPs' salaries. It is a bit late in terms of the serious increases that came last year. However, we welcome the announcement that they are going to be curtailed. It would have been nice to see this done last year rather than bring in the increase they did.

In terms of senior civil servants, it is almost laughable. The Liberals really outdid themselves. They spent at least a half hour listening to the opposition. Now they are back to their traditional role of yapping incoherent comments from the backbenches.

During the time the Prime Minister has been in office there have been increases in senior civil servants. In 1968, there were 381 in the SX category, the top category which begins at $27,000. After 1973 that figure had increased to 895, an increase of more than 100 per cent.

The President of the Treasury Board (Mr. Chrétien) announced with a sense of self satisfaction that these upper income civil servants are not going to get another increase. I hope not. It was just four weeks ago that they received an additional $6,000, one of the highest increases ever. I do not see it as a supreme act of self denial on their part, when they just got $6,000 a few weeks ago, not to get another increase next year. My colleagues and I are not exactly impressed with that announcement.

I took a great deal of interest in the concern of the Minister of Finance (Mr. Macdonald) this afternoon that

the wealthiest people in Canada will bear their burden of the restraint program. I was almost moved to tears when he brought forward the tax measure and suggested that the wealthy in Canada were really going to do their bit in the restraint program. Hon. members will recall that the ceiling for low income Canadians is now almost up to $750. Ninety per cent of them have no unions, so there is no hope they will get it.

● (2110)

What has the Minister of Finance done to place the burden on the rich? He has brought in a 10 per cent surtax for upper income Canadians. It will really be hard to bear! A lawyer or a doctor struggling to get by on $35,000 a year will really be badly off. Suppose he has two children. The government's proposal will really place him in a difficult position. It plans to increase his taxes by $10 a year! That is the full force of the great burden of restraint the government has decided to place on wealthy Canadians.

A $35,000 a year man with two children will have to pay $10. Mr. Speaker, that comes as close to hypocrisy as I have seen in this House the fact of this change in family allowance announced today. The family allowance change means that an average family with three children will lose $27 on each of those children. This is because the Liberal government has decided to cut out the escalation in family allowances this year. Compare this loss of $74 to a low income family with three children, with the heavy burden the government is putting on upper income Canadians, an increase of $10 to a family earning $35,000. We do not have many tears in our party for all those rich people who will be so affected by that measure which was brought in today.

I want to conclude—

Some hon. Members: Hear, hear!

Mr. Broadbent: I am being so loudly cheered, Mr. Speaker, I am tempted to go on for at least as long as it took the President of Treasury Board to bring in the bad news. I want to make five specific suggestions which in our view should be seen in the context of creative government action involving some cutbacks and some increases, all of which in our view would contribute positively to dealing with inflation in a much more sensible and equitable way than the program announced by the President of the Treasury Board.

First, we think the government should increase its spending on housing. This would benefit both homeowners and renters by increasing the supply.

Some hon. Members: We have done that.

Mr. Broadbent: They say they have done it. Peanuts! By increasing the supply of housing they will drive down the price for homeowners and renters. The second benefit is that such a program would provide many new jobs from one coast of Canada to the other, bearing in mind that there are more than 700,000 people presently unemployed.

Second, we think an end should be put to the $1.8 billion which, it is estimated, is being spent on tax incentives to corporations, which have not proved effective in creating jobs. I would remind the government of the study which it commissioned and which was presented in the House last June by the former minister of finance. Remember, we are talking about $1.8 billion in fast write-offs and special tax concessions during the last two years. In the study presented last June it was stated that the majority of businessmen interviewed said the concessions were not needed and that the course of action they took in expanding their operations was not influenced by the give-aways provided by the government. We say this $1.8 billion should no longer go out to the private sector in the form of a giveway but flow to the treasury via tax revenues.

Third, we would make the corporations pay their fair share of taxes in general by ending the tax deferral system. Over $7 billion is now owed by corporations in Canada to the federal government, and we think it time that a good part of that sum was paid to the treasury.

Fourth, we think the most equitable way of dealing with not only professional people in higher income brackets but other upper income people who have a variety of means of getting round the control system, is the introduction of a 100 per cent tax on all increases of income beyond the $2,400 level. Only by imposing such a tax do we think this program could be made at all equitable.

Finally, in connection with the price of Canadian produced oil, we think it is time Canadians ceased to be charged world prices for one of our own national resources. We reject the commitment of the government to allow the price of domestically produced oil to rise to the world price. The abandoning of this commitment would not only bring benefit to Canadians as consumers, as drivers of automobiles, but it would also be of great benefit to Canadian industry in helping to keep costs of production down, thus allowing more jobs to be created.

I wish to conclude by saying that not only is the government wrong in cutting back good programs as well as bad; it is also wrong because it has totally ignored the fact that more than 700,000 Canadians are unemployed.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Broadbent: By refusing to introduce even one program or one item intended to create more jobs, it is simply adding to the miseries which come inevitably to families experiencing unemployment to those other miseries experienced by those suffering from inflation. In short, the program announced tonight is not one which the NDP can support.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, after the statement made tonight by the President of the Treasury Board (Mr. Chrétien) I better understand the reasons for the resignation of former Minister of Finance (Mr. Turner). I find it strange that each time the Minister of Finance, here in Canada, whether Progressive Conservative a few years ago or Liberal this year or in the past, each time a Minister of Finance had to resign, it was because financial or fiscal matters were so serious that he could not afford to be inconsistent in the legislation that the government made him bring following statements he had made.

The hon. member for Ottawa-Carleton (Mr. Turner) less than one year ago, here in this House, was always telling us that the financial and fiscal situation in our country

was very satisfying, that there was no problem and surely the world was unfolding as it should. And suddenly, only a few months after his resignation, we see the President of the Treasury Board, we see the Minister of Finance (Mr. Macdonald) and the right hon. Prime Minister (Mr. Trudeau) almost sounding the alarm in front of inflation and our financial situation in Canada.

Mr. Speaker, I always said in the House that this government was directed by "economist charlatans" who led us in the present situation. As long as this government will follow the advice of these economists, we shall go nowhere, we shall only go from debt to debt and deficit to deficit.

Tonight, Mr. Speaker, the President of the Treasury Board announced cuts in government spending of about $1.5 billion and as the speakers before me suggested or explained, those cuts will apply primarily to hon. members when we had a legislation for those who deserved a salary increase according to the cost of living index, we had a legislation that would have given a gross income of $600,-000 to hon. members and a net income of about $400,000. This government has just done away with any indexation for members—a net amount of $400,000—in order to facilitate the acceptance of the cuts just announced for small earners. Mr. Speaker, children are the first hit by these cuts. The government just removed the indexation of family allowances. This will save them $221 million, which means that the bulk of the savings made under the program announced tonight by the President of the Treasury Board will be obtained at the expense of our Canadian children. The unemployed will have their LIP projects cut, the indexation of Manpower training will be slashed by $20 million. Our farmers, the number of which is steadily declining, will also be affected by a reduction on the Farm Credit Corporation budget. Subsidies to the OFY program will be cut by $36 million, crop insurance by $10 million.

Mr. Speaker, the group most affected by the announcement made this evening by the President of the Treasury Board are the children. They are not responsible for the current inflation rate or the government heavy spending. Alos hardest hit will be the unemployed, the young and the farmers.

● (2120)

And when I look for instance at the expenditures the government undertook to maintain at their current level, while slashes are made elsewhere, I see that over $4 billion will continue to be paid to the financial nabobs, those who were empowered to extend credit to the government instead of the government doing it itself through its own bank, the Bank of Canada. In 1976, we will be giving more than $4 billion in dividends for gratuities to the Canadian chartered banks.

[Mr. Rondeau.]

And yet, we have just read in the December 15, 1975 issue of *Maclean's* the following heading:

[*English*]

THE BITTERSWEET SMELL OF SUCCESS

[*Translation*]

We thus learned that the profits of the four largest banks in Canada exceeded $225 million in the period ending October 31, with profits averaging 55 per cent during their last fiscal year.

Mr. Speaker, the banking system made the highest profits in Canada last Year.

[*English*]

—the banks, profits are unreasonably high at a time when the federal government is applying profit controls to other industries. Because of their large volume of foreign business, the banks are specifically exempted from federal profit controls.)

[*Translation*]

Since banks are national and international institutions, they will not be affected by the profit control system to be implemented by the federal government. Yet, Mr. Speaker, according to our national estimates, we shall be paying out the tidy sum of $4,350 million, and we shall have to keep on as good boys, good Canadians, helping foreigners before we help our Canadian children. We shall still be paying out $1 billion to foreign or developing countries; $1 billion, Mr. Speaker.

When I think that all members of this House are aware of the shameful waste in that area, Mr. Speaker, I cannot believe my eyes or my ears. One billion dollars will be spent under the item of external aid. Another $1,507 million will go to National Defence which, in my opinion, is not worth a hang in Canada. Indeed, should a group of boy scouts decide tomorrow morning to take over Canada with makeshift means, our armed forces, with a budget of $1,507 million, would be taken unaware.

Mr. Speaker, Air Canada will also be gratified with a tidy sum of $302 million—no cutbacks—and the public service will again swindle some $4,824,820,000. Mr. Speaker, I should like to quote again from the December 15 issue of *Maclean's*, on page 37, under the following heading:

[*English*]

THE MONEY-WASTERS

. . . the unveiling of Montreal's new $600-million Mirabel International Airport . . .

All in all, the little weekend celebration racked up a price tag of more than $500,000—including $12,179 in hotel bills for 10 foreign ministers, $48,840 worth of food and $20,000 worth of booze . . .

In the current fiscal year, federal spending will add up to $31.3 billion—more than the combined budgets of all three levels of government in 1967,—Out of every $100 spent on goods and services this year in Canada . . . governments will spend $40. Government has now become one of the country's biggest and fastest growing industries.

This year more than 1.2 million Canadians—or one out of every eight in the work force—will collect their pay cheques from a federal, provincial or local level of government, at a staggering cost of more than $10 billion in salaries. Of these, 332,230 are in the federal civil service, which will chalk up a payroll this year of $4,824,880,000.

[*Translation*]

Let me go on, Mr. Speaker, this article is too much.

[*English*]

Like Topsy, the Ottawa work force has just sprouted. And no wonder. While the top civil service regulars in Washington earn no more than $43,000, the highest paid Ottawa mandarins rake in as much as $62,500 a year... the senior executive categories in Ottawa had grown by an astounding 474 persons—or 82 per cent—in the past five years. The biggest single leap may well be in Trudeau's own personal staff which has now multiplied to an amazing 95 persons, with a budget of more than two million dollars...

Bank of Canada governor Gerald Bouey was calling for—

[*Translation*]

—he is so nice, he is so thrifty this man with $75,000 a year—

[*English*]

—was calling for "a sober appreciation by Canadians of the seriousness of our economic problems which will call forth sufficient will to co-operate in their solution." Lo, as he spoke, the Bank of Canada's new $40-million headquarters rose loftily behind him—12 storeys of exquisite reflecting glass that mirror the sky and surrounding panorama—the most expensive office building of its size in Canada. The castle of glass and steel just down the street from the Parliament Buildings will include a 12-storey-high, year-round enclosed garden and a two-ton round stone imported from Yap Island in the Pacific that was once used as South Seas currency—

● (2130)

—the wife of the governor of the Bank of Canada—who makes $75,000 a year—along with hundreds of other wives of Ottawa's senior civil servants and MP's have been sent to French school, free. More than 170 wives are expected to enroll in the 1976 sessions beginning January which feature two three-hour lessons each week at Ottawa's Alliance Française.

[*Translation*]

Mr. Speaker, I am saddened by the statement made tonight by the President of the Treasury Board. On page 9, he talk for instance about old age security. He has put senior citizens in the same category as banks. He talks about old age security and the interest on the public debt and says: "All have their own dynamics of growth." Mr. Speaker, these people have a $2.35 monthly cost of living increase compared with the banks, which made $445 million of profits last year, and this includes only the seven largest chartered banks in Canada. "All have their own dynamics of growth". Poor President of the Treasury Board!

The process of controlling and cutting government expenditures is a continuous one and no single set of actions such as these we have taken is sufficient.

Mr. Speaker, this means that the President of the Treasury Board admits that the expenditures of the government have grown like a cancer.

I would like to quote a few more figures before closing my comments on agriculture, which is such an appropriate field for Canada. In 1960, there was one public servant for 87 farmers, in 1966, there was one public servant for 59 farmers, and in 1975, there is one public servant for 44 farmers. As the number of farmers goes down, the number of public servants increases. This is called planning and administration knowledge by economists.

Mr. Speaker, I would like to quote a few other figures that have impressed me. In 1974-75, the federal deficit is $3.3 billion, while the surplus of the Royal Bank alone for 1974 is $3.5 billion. This means that the deficit of the government is equivalent to the surplus of a single chartered bank in Canada. Then, they will try to tell us that the government controls Parliament and governs something. I must say to my hon. colleagues opposite that they are in power, but govern nothing at all. The decisions are made by the nabobs of finance whom they blindly obey, Mr. Speaker, the public debt in 1967 was $21.8 billion, and in 1974 it reached $55 billion, a yearly increase of 14 per cent. In 1967, the national debt represented 32.9 per cent of the gross national product, and 39.1 per cent in 1974.

In conclusion, Mr. Speaker, I will say that since Confederation our national debt has increased by 60,000 per cent. So one should not be surprised to hear ministers of finance make at times political statements for their parties saying that all is well in Canada, that everything is fine, that it is fantastic, that all is well in the best of worlds, that we live in the most beautiful, the greatest country in the world, and that everything is great.

A few months later, in face of the obvious figures that do not lie, we see the Minister of Finance get up one morning and submit his resignation so as not to be caught lying because of his rosy statements, in opposition to the black cloud that was just announced today in this House.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. In the bill to which he referred in his statement which is to freeze the pay of members of parliament for a year, may I ask whether that applies only to the indemnity or does it also apply to the tax-free allowance?

[*Translation*]

Mr. Chrétien: Mr. Speaker, that applies to the members' salaries.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, in respect of the comments the Leader of the Opposition (Mr. Stanfield) made concerning the reduction from the 1966-77 level as planned in November I think it is important, in terms of the credibility of this program, that the information which is available be either placed on the Table, appended to *Hansard*, or presented by the President of the Treasury Board (Mr. Chrétien) tomorrow inasmuch as it really takes away from any credibility to say that we are taking X number of dollars away from Y figure, when no one has any idea in the world what that Y figure might be.

Mr. Chrétien: Mr. Speaker, with the permission of members I would like to present these papers later because the only copies I have are these in my hands. I have the communiqué which gave all the expenditures in respect of all the eliminated programs and those reduced below the figures for 1975-76, and the others which are reductions from the approved level of November in the budget. I have divided these as best I could into two categories. The total of these two account for a little more than $1,500,000,000, and so members will be able to judge, in the reduction from the accepted level of November, where we have cut.

In every department we have given the area where we have reduced from the approved level. Of course there is

an increase above the level of this year, but by that much less. So, at the end of the proceedings at ten o'clock I will table in both languages this information.

Mr. MacDonald (Egmont): Just to be clear, Mr. Speaker, I wonder whether it would be agreeable when the President of the Treasury Board presents this if it could be printed as an appendix to *Hansard*. Also, just to be clear, does this mean that what will be presented to us will be the original figures minus the amount that is being reduced, the further figure, and the relationship in the case of 1976-77 to the previous figure so that there will be that three-fold comparison.

Mr. Chrétien: Unfortunately, no. One of the difficulties in which I find myself is that I am not legally in a position to table the Blue Book at this time because there is a procedure of the House whereby the tabling of what we call the Blue Book will be done in February. It is not printed.

These decisions were taken only this week and the week before, so I am not at liberty to give the total figures. I have tried to inform members as best as I could under the limitations I have. I have prepared a list of all the actual cuts from the 1975-76 level, and in the second category the areas where some cuts were made. But I am not at liberty to table what would amount to the Blue Book because it is a huge book and is not in the proper form. It will not be ready before February.

Mr. MacDonald (Egmont): Mr. Speaker, does this mean that the figures the minister has presented to us with regard to 1976-77 really will make no sense to us at all until sometime late in January or early in February, when we have next year's estimates presented to us? In the meantime we have no idea whether or not these figures reflect any substantial reductions.

Mr. Chrétien: Mr. Speaker, there is a difficulty there. I do not know exactly how I can cope with this problem. I think these are the kinds of problems we tried to explain earlier to the press, and I am prepared to give the same explanation. I would like to reply to the hon. member that when we are lending money to the CNR or to other Crown corporations of the same nature it is all in our expenditures list. When members of the opposition speak, they do not make that distinction. They accuse us, as the hon. member for York-Simcoe (Mr. Stevens) used to do, of spending, for example, $35 billion. That gave them an example of the kind of expenditures, of transfer payments, that we were making. Hon. members opposite do not make that distinction when they attack us. If the CNR can borrow money from the private sector, it will be that much money from the taxpayers' pockets that we will not be accused by the opposition of spending.

● (2140)

Mr. Fairweather: It is still a shell game. However it is much better than the ones I used to see at fairs and exhibitions when I was young.

I suppose each of us has our own areas of concern. Mine happens to be about the shipbuilding subsidy amounting to some $15 million. I would like to have an interpretation from the President of the Treasury Board regarding contractw shich are now in place. In other words the St. John's Shipbuilding and Dry Dock Company has some eight ships in line between now and 1978 which will provide about 1,600 jobs on the basis of the subsidy program. Is it the intention of the government to interrupt this program and thereby throw out a labour force that is in place?

[*Translation*]

Mr. Chrétien: I believe, Mr. Speaker, there will be a gradual reduction in that program, but I doubt that it will affect the orders the shipyards have on their books at this time. Some subsidies may be reduced, but we hope that will not affect the level of employment in the shipyards.

Mr. Beaudoin When the President of the Treasury Board said to the House that there would be drastic cuts with regard to adult training schools, did he mean the manpower centre schools or those that deal with the training of those who are learning the second language?

Mr. Chrétien: Well, I believe that with regard to the Department of Manpower and Immigration the cutbacks will be very minor compared with its total expenditures. If I am not mistaken, the budget of the department provides some $500 million for adult training, and the proposals I put before the House this evening would reduce that budget by $20 million. That, however, applies to the people in charge of adult education under the programs of my colleague, the Minister of Manpower and Immigration.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, on page 9 of the minister's statement there is a reference to a reduction in manpower in the Public Service, but the statement does not indicate what that reduction will be. Has there been any decision or finding by the Treasury Board as to the number of public servants who will not be placed under the reassignment and placement program, which is also set forth on that page?

[*Translation*]

Mr. Chrétien: Mr. Speaker, my officials assure me that very few full-time civil servants will be affected by the suppression of some government agencies or by the important cuts in some programs. As well, very few will not be accommodated within the 1.5 per cent staff increase in the public service or in positions which are now open or will be in the next few months.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I thought my question was quite precise and I hoped the minister might be able to give me a figure, give or take a hundred or so. His statement does not contain it now.

While I am on my feet may I ask the minister if it is the intention, as part of the program of restraint, to abandon, for at least a time, the decentralization program which he and I have discussed on the floor of the House?

Mr. Chrétien: In answer to the first part of the question, I think the number of employees who will be affected by the reduction of some of the programs will be about 1,000. I am not in a position to say at this time whether, of that number, all will be relocated elsewhere into other departments. My officials assure me there will be very few who

will be dismissed, but there might be some who, because of their very specialized skills, because of their age, or because of their unwillingness to move, will be forced to take an early retirement or try to find a job elsewhere.

With regard to the second part of the question, I think the program of decentralization so far is taking place in areas which we have announced. We have just announced two parts of this program lately: an organization from the Department of National Revenue of the taxation branch located in Winnipeg, and the pay system in the Department of Supply and Services which has been located in Matane. There will be other announcements of that nature, all in areas in the public service where there is either a shortage of labour in Ottawa or a problem of space. This will not affect the level of employment in the national capital region.

Mr. Baker (Grenville-Carleton): I am referring to page 5 where the minister referred to a cutback in the amounts of money available for the salaries of those who are hired to replace employees sent on language training, a cut of some 20 per cent. What is the intent of that statement, aside from the cutting of funds? Is it the intention not to hire people to replace members of the Public Service who have gone on language training, or is it the intention to reduce the number of public servants who are sent on language training?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I think that the program we have announced as well as the reduction in the number of new positions will enable us to have this cut of $10 million without substantially affecting the program enabling civil servants to learn the other official language when they get a bilingual position by way of competition. We also believe that through closer control over the system we can reduce the amount of expenditures, but the majority of these $10 million will come from the reduction in the growth rate of staff in the public service. In the year 1975-76, the growth rate was 3.1 per cent and it will be only 1.5 per cent next year. All these measures will make us save money.

[*English*]

Mr. Ritchie: Mr. Speaker, first can the President of the Treasury Board tell us approximately how much Crown corporations can borrow from the Treasury Board and privately, and second, during these times of restraint will these corporations borrowing in the private market be under the control or supervision of the Treasury Board?

Mr. Chrétien: Mr. Speaker, I cannot give the hon. member the figure off the top of my head. It is many millions of dollars, perhaps $4 million of $5 million, I am not sure. He can make the calculation; I do not have the exact figure. These Crown corporations will remain under the financial supervision of the Treasury Board and the Department of Finance because we still control their budgets.

Mr. Rodriguez: Mr. Speaker, I would like to direct a question to the President of the Treasury Board. I noticed that in his presentation tonight he mentioned that there will be a 10 per cent reduction at the defence staff headquarters. Can the minister tell me why he did not consider eliminating the $200 million which he intends to spend on tanks and armoured cars from Brazil? I do not think we are in imminent danger of being invaded by enemy forces. Is that not something that could be put off? I am referring to the $200 million expenditure.

Mr. Chrétien: These expenditures will not be occurring right away. Of course one of the problems with regard to national defence with which we had to cope is that for the last five or six years the government has not spent any money on buying new equipment. Because of our commitments in NATO and NORAD we have some obligations, and after so many years of not spending on capital expenditures we have decided this year that we must proceed with some buying of capital equipment. However, most of those payments will be made in the future and not in this year so I think that is why, if the suggestion of the hon. member were to be accepted, it would not be reflected in the budget of next year, or perhaps just partly.

● (2150)

Mr. Rodriguez: With regard to family allowances, we are presently discussing a bill which would amend the Unemployment Insurance Act. One of the things that bill will do is remove the dependency rate. The minister in charge of that department argued that family allowances have been indexed, and that was the rational for eliminating the dependency rate. Can the minister who made the statement tonight, the President of the Treasury Board, tell us what is the rationale for this decision to remove indexing of family allowances? Does he not think that is contrary to what is being done in another department?

Mr. Chrétien: That is one of the difficult decisions we had to make, but hon. members should remember that we tripled family allowances in the last few years.

Mr. Rodriguez: And taxed them.

Some hon. Members: Be quiet.

Mr. Chrétien: People at the lower end of the wage scale have exemptions. This was not an easy thing to do, but we did triple family allowances over the past few years. They were increased last year because of the increase in the cost of living. We had to find the money. The money was not hanging in the air. One of the reasons for this decision is that 60 per cent or 70 per cent of families receiving family allowances earn above $12,000, and for those who are at the bottom of the scale there will be some hardship. However, they can always go to the provincial governments and receive some compensation if they really need it, and of course under such a program we pay 50 per cent of the cost.

Mr. Stevens: Mr. Speaker, on October 30 as reported at page 8704 of *Hansard*, referring to the current spending estimates of the government, the minister stated that in the current year there would be less than a 16 per cent increase compared with last year. He said, and I quote: "It will be less than 15 per cent next year," meaning the fiscal year 1977. Would the minister indicate if he still sticks by the commitment that the spending increases will not be more than 15 per cent in fiscal year 1977?

Mr. Chrétien: I am very glad that my speech brought the hon. member back into the House. We have not seen him

for a long time. We all wish him well. If he can win, we will be safe.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Chrétien: I said when I tabled the Blue Book at the beginning of last year that it was the first time it was done. I stuck my neck out and said that the Blue Book plus the supplementaries next year will be an increase of not more than 16 per cent, as the hon. member said, and I am still within that. Perhaps at the end of the year it will be around 15 per cent, and for next year I am not in a position to say it will be more than 15 per cent or 16 per cent because there are still other decisions to be made before I come into the House with the next Blue Book. I hope it will be in that range, but I cannot be precise at this time.

Next year I will try to give the complete picture and to be as accurate as possible, just as I have done this year. However, at the same time I should like to say that when expenditures were rising 24 per cent and 26 per cent before this year, the hon. member and some of his colleagues did not believe me when I said at the beginning of the year that we would keep the increase under 16 per cent. I am very happy to report to the hon. member that that will be the case this year.

Mr. Stevens: Following upon what the minister has said, would the minister agree then that he has really told us nothing new tonight concerning future spending, and that if we consider the budgetary spending this year of $30 billion, what the minister is saying is that next year it will be $34.5 billion, whereas if the $1.5 billion had not been eliminated from the requests the minister was faced with, it could have been $36 billion? If the minister wants it on a national account basis, if we stay within 15 per cent we will go from $36 billion to approximately $41 billion; is that correct?

Mr. Chrétien: I am sorry I have to repeat myself, but it is very difficult to make things stick in the mind of the hon. member.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Chrétien: However, I think those figures will speak for themselves when I table the Blue Book at the end of February.

Mr. Stevens: The minister referred in his speech to holding the increase in the public service to, I believe, a 1.5 cer cent increase. Would the minister indicate how many extra public servants that represents?

Secondly, why is it necessary to have an increase when the minister says in the same speech that there are people who may not have their jobs any longer and that the government will try to see that they are replaced in some other department?

Mr. Chrétien: There are 1,000 people involved in the exercise of cutting some programs and institutions. Those people will be kept in the civil service. I cannot be very precise at this time about the figure. I can get it for the hon. member. There will be an increase in the total of about 4,500 new civil servants. The hon. member asks why, and I must reply that we need 300 to 500 people for the anti-inflation program.

Mr. Stevens: It was 200 originally.

Mr. Chrétien: We must hire more RCMP to provide security, and we need a few more guards to keep prisoners in jail. We have some programs of that nature for which we still need people, and I think most hon. members on the other side will agree that we should have a few more good policemen. Of course, they are not included in the 1.5 per cent, but that is not a very large increase, and for the majority of departments there will not be more, but many less, people working in them than there are this year.

Mr. Leggatt: I wish to take the minister back to the problem of deciding to eliminate indexing with regard to family allowances, thereby hurting people on low incomes, yet rejecting the possibility of eliminating indexing with regard to income tax, which could have yielded millions of dollars of additional revenue to the government. Would the minister advise the House why the government rejected eliminating indexing on income tax and yet eliminated indexing of family allowances, which will deprive low income families of their family allowances?

Mr. Chrétien: The question of indexing the exemption on taxes is a problem the Minister of Finance (Mr. Macdonald) could deal with in his budget. That is not my jurisdiction, but I wish to point out to the hon. member that this method was chosen for the reason I explained earlier. It will be suspended for one year. However, if we had stayed at the level we were at in 1972 and increased by indexing every year, it would be much lower now than it is, but we had the foresight to triple family allowances. However, at the same time we cannot afford everything, and that was one of the difficult choices we had to make. Of all the social programs, we felt that to suspend this one for one year would be less painful because 60 per cent of the families receiving family allowances earn about $12,000 a year, and those people at the bottom of the scale can go to the provincial governments, and whatever they receive will be paid 50 per cent by the federal government.

Mr. Leggatt: Some of the rather agonizing problems the minister obviously had were with regard to the environment, cutting back subsidies to passengers on railways, cutting back anti-pollution equipment in federal facilities, and cutting back other environmental services. Would the minister tell us how big that latter cut is? Will the minister admit to this House that he is now trading off the environment for the economy, and that that is now the policy of his government?

Mr. Chrétien: I think the hon. member likes making sweeping statements like that. I do not know the exact amount of the cut referred to, but it is perhaps $20 million out of a program of about $500 million. I think it is a minor cut. To make a sweeping statement that we are cutting environment—what we are doing is reducing the rate of growth because we cannot afford to go as fast as we were going in the previous year.

• (2200)

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. It now being ten o'clock the hon. President of the Treasury Board (Mr. Chrétien) had indicated that at ten o'clock he would be tabling certain documents. Perhaps he would be prepared to do that.

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I should like to table a copy in English and French of the figures requested by the hon. member for Egmont (Mr. MacDonald), and request that they be appended to today's *Hansard*.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: For text of documents referred to above see Appendix "C".*]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FINANCE—SMALL BUSINESS LOANS—REQUEST FOR CHANGES IN REGULATIONS TO ALLEVIATE DIFFICULTY IN OBTAINING LOANS

Mr. Speaker: The hon. member for Victoria-Haliburton (Mr. Scott).

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. There is no provision in the Standing Orders to take a point of order on the adjournment debate.

Mr. Baker (Grenville-Carleton): On a question of privilege—

Mr. Speaker: The hon. member for Victoria-Haliburton (Mr. Scott).

Mr. Baker (Grenville-Carleton): Mr. Speaker, I was on my feet as you were, and began a point of order before the adjournment debate.

Mr. Speaker: Order, please. The hon. member for Grenville-Carleton (Mr. Baker) is on his feet. I rose, having allowed a question which took the clock beyond ten o'clock, a supplementary question—I rose to begin proceedings pursuant to Standing Order 40, and there is no provision to interrupt the adjournment debate or the very strict proceedings that surround the adjournment debate which begins at ten o'clock.

Mr. Baker (Grenville-Carleton): I was on my feet.

An hon. Member: They have gone mad, the whole damn bunch of them.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, on November 28 I asked the Minister of Finance (Mr. Macdonald) if he would consider changes in the legislation under which the government guarantees loans to small businesses at an interest rate of 8 per cent. My main concern was directed at the difficulty experienced by many small businessmen and women in rural Ontario in obtaining these loans, and I was encouraged by the minister's answer that he would take my question as notice.

I would like to say at the outset, Mr. Speaker, that I was not and am not finding fault with the guaranteed loans program itself, but rather with just one aspect of what is proving to be an excellent source of low interest financial aid for small businesses. Considering that the interest rate on conventional loans is in the neighbourhood of 13 per cent, then the interest rate of 8 per cent for these guaranteed loans is attractive to small business people.

In 1974, Mr. Speaker, the increase in approvals of loans under this program was approximately 150 per cent, and in Ontario the increase was about 100 per cent, which is the best possible proof that the program is providing a service. I should point out, that this high rate of increase in loan approvals under this program creates the impression that every business person who qualifies should get approval of a loan, but that is not the case.

This program was brought to my attention recently by businessmen in my riding who had applied for loans under this legislation, had them approved at the local bank level, and then had their applications rejected by a regional office of the bank. Understandably they were at a loss as to how this could happen. After checking into the matter I found that it can happen very easily, but I also found that it would be difficult to find anyone at fault.

Banks in small towns have to borrow money to lend from their area or regional offices. They are expected to pay about 9½ per cent for the money, and under the guaranteed loans program they cannot charge more than 8 per cent. And so, Mr. Speaker, the simple fact is that banks have been lending money under this program at a loss for a long time. Many banks are prepared to do this, though, in the hope of gaining it back in the long term from other types of loans.

When this is coupled with the fact that banks are not compelled to grant loans under the guaranteed loans administration, then I would suggest that the banks that do grant such loans are acting responsibly. I think that this is borne out by the increase in loan approvals under the program that I mentioned earlier.

In the case of loans that are disapproved at regional levels, Mr. Speaker, I can only assume that the banks in question have examined the situation closely and decided that there would not be any advantage, in the long or short term, in granting the loan. I think that is understandable, since they must weigh the loss of one and a half percentage points on the face of the loan, in addition to the cost of processing and handling the loan, against the volume of business a particular community will generate over that period.

Having said that, I will get to the point of my question. It is obvious that the guaranteed loans program for small businesses is working, and working well. But it is also obvious from what I have said, that a great many small businesses are being shut out of the program, for one reason or another, and I would like to see something done to ensure that qualified and deserving businessmen and women in the smaller communities will have access to these low-interest loans.

I consider it a hopeful sign that the minister said he would take my question as notice, and I would suggest that it should not be too difficult to make some adjustment to the legislation that would allow businesses in rural communities to take advantage of this program.

[*Translation*]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, under the Small Businesses Loans Act, the government guarantees against any loss all loans made to small businesses through chartered banks and other lenders named by the Minister of Finance (Mr. Macdonald) in view of helping to finance a large array of improvement projects. The maximum unpaid balance should not exceed $50,000 and the current maximum interest rate allowed is 8¾ per cent a year.

In 1974, credit operations in terms of the plan were in the vicinity of $35 million, that is the highest amount ever registered in any one year since the setting up of the program in 1961. During the first nine months of 1975, the number of loans approved exceeded by 42 per cent those for the same period in 1974 and by almost 95 per cent, as far as dollar value is concerned. Those figures indicate that the chartered banks continue to cooperate by granting loans to small businesses within the framework of the program. About 20 per cent of the loans which were granted were as in the past granted to Ontario businessmen.

The policy governing loans varies, of course, from one bank to another and, although all banks still participate in the system, those that feature their own plan particularly for small businesses tend to grant fewer loans under the Small Businesses Loans Act.

In such cases, the borrower has an alternative that may be to his advantage, for the categories of loans that are not eligible under the terms of the federal system—for example, working capital—usually are under the terms of those bank plans. It is to be expected that, when a lender considers that a business is sufficiently solvent, he may offer direct financing at commercial loan interest rates rather than depend on the government guarantee under the Small Businesses Loans Act. Let me add that most of the special bank plans offer an interest rate somewhat lower than the usual rate for commercial loans.

To summarize, the figures show that the loans granted under this system set a record in 1975 and that Ontario still get its "normal" share. It seems that the figures I just mentioned do not justify the concern of the hon. member for Victoria-Haliburton (Mr. Scott) about the negative effect of the interest rate applicable in that case on loans and that, therefore, it does not seem to warrant changes in the regulations concerning that credit facility.

[*English*]

LABOUR CONDITIONS—STRIKE OF PULP AND PAPER WORKERS—REQUEST FOR REPORT ON NEGOTIATIONS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, on a couple of occasions I have put questions to the Minister of Labour (Mr. Munro) concerning the important and prolonged national strike in the paper industry of this country. I asked the minister what he has done or intends to do to bring the two sides together. We, of the New Democratic Party, have been appalled at the government's inaction in settling this national strike, especially since a good many of the 25,400 members of the Canadian Paper Workers' Union on strike have been on strike since mid-July of this year.

The paper companies have, on many occasions, refused to sit at the bargaining table. When they have sat at the table they have presented ridiculous wage offers to the union. It is evident that pulp and paper companies bargained in bad faith, refused to negotiate, and now hide behind the federal anti-inflation wage guidelines so conveniently set up by the Liberal government.

The pulp and paper industry in Canada is a cartel; that is to say, a few companies control land and timber rights and leave no room for new companies to enter the field and promote competition. Indeed I would suggest that the companies in their pricing and labour practices should be investigated under the anti-combines act.

• (2210)

We have seen collusion on the part of the companies in the past. They have kept the price of newsprint and paper artificially high. They have deliberately worked their mills seven days a week to build up newsprint inventory in anticipation of a strike, not really being serious about bargaining in good faith.

The pulp and paper industry is not a poor industry. It can afford to make decent wage offers, which it has refused to do to this day.

In the past two years we have seen unprecedented profitability. In 1973 the pulp and paper companies tripled their profits over 1972 for an increase of some $320 million. In 1974 they doubled their profits again to some $685 million. In the years 1973 to 1975 the same companies increased the price of a ton of newsprint by some 52 per cent and of bleached kraft pulp by 118 per cent. However, in the same period, 1973 to 1975, pulp and paper workers lost $1.25 an hour in real wages due to inflation.

When bargaining started last spring the union asked for $2 per hour wage increase plus a cost of living allowance. Of that $2 wage demand, $1.25 was to make up for money lost due to inflation and 75 cents for their share of increased productivity and profitability of these companies during those bonanza years.

The CPU has reached settlement with Irving Pulp and Paper Company in New Brunswick without a strike. They settled for $1.04 increase in the first year of a two year contract plus a cost of living allowance clause. It is interesting to note that woodlands workers previously got an increase of $1.10 in the first year.

I have just learned that tonight the Anti-Inflation Board turned down the Irving settlement with the CPU. In other

words, the federal government has played right into the hands of the companies.

Canadian workers in the pulp and paper industry were led to believe that the 10 per cent wage increase limit would be flexible to take into account historical relationships and this, of course, exists with the paper workers and the woodlands workers. They were also led to believe that under the guidelines they would be liable to special consideration for contracts which expired before 1974 and for which negotiations were under way.

The CPU, the paper workers, fall under those exemptions. However, the Anti-Inflation Board's decisions in turning down tentative wage agreements of the Toronto secondary school teachers, inside postal workers, and now paper workers prove that special exemptions and consideration clauses are a sham. We have an unfair wage control program in effect in this country.

The cabinet exempted postal workers in their settlement. How can it not now exempt the paper workers? However, I fear that it will not, knowing the anti-labour bias of the government. It will in effect destroy collective bargaining in Canada and promote labour strife in the months ahead.

How can the government expect paper workers to work for less than woodworkers with whom they have have had a traditional wage relationship? How can the government expect the CPU to accept now a limit of a 10 per cent wage increase, which is less than what the companies would have been prepared to offer all along? How can the union bargain effectively when companies are regulated by provincial law, and now the provinces are passing the buck to the federal Anti-Inflation Board?

The companies are hiding behind the Anti-Inflation Board, waiting for a decision and not bothering to bargain in good faith. The Minister of Labour says he cannot get involved because of provincial jurisdiction, but in the past we have seen appeals on the part of the postal workers to the federal cabinet. I wonder whether the federal Minister of Labour will now argue in support of the union with regard to the exemption of wage guidelines.

The Liberal government, as a result of the wage guidelines and the decision of the Anti-Inflation Board, has certainly shown itself to be on the side of the companies. It is now controlling wages, after letting the companies' prices and profits rise unhindered over the past two years. I ask the Minister of Labour again tonight: will he intercede in the cabinet when the unions appeal for an exemption from the effects of these anti-inflation guidelines to settle this long and unnecessary strike?

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Minister of Labour): Mr. Speaker, as the hon. member for Sault-Sainte-Marie (Mr. Symes) has said, the pulp and paper industry falls within the provincial jurisdiction as regards industrial relations.

[*English*]

However, the federal government, and in particular the Minister of Labour (Mr. Munro), have expressed great concern on a number of occasions over the large number of workers who are out of work. The Minister has urged the parties to return to the bargaining table and complete their collective agreements as soon as possible.

Where monetary settlements are reached at levels above the eight plus two formula of the anti-inflation program, the parties realize that their settlements would be subject to review by the Anti-Inflation Board. Both union and industry representatives appear to have been hesitating about returning to the bargaining table until the Anti-Inflation Board was in a position to give an opinion on the recent settlement between the Canadian Paper Workers Union and Irving Pulp and Paper at Saint John, New Brunswick.

The opinion of the Board has been released today, and it says, contrary to what the hon. member was telling us, that the Board had concluded that it can accept a first year increase up to 14 per cent in the total compensation of the employees at Irving Pulp and Paper Limited. This is about four percentage points above the arithmetical formula applicable to them. Accordingly, the Anti-Inflation Board has requested the parties to modify their agreement so as to give effect to this decision. The Anti-Inflation Board has also informed the parties that it will wish to review the second year of the settlement when agreements in other mills have been concluded.

Meanwhile a settlement between Domtar and the Chemical Workers has been completed in the corrugated container plant dispute in Montreal, and negotiations resumed between the paper workers and Ontario Paper at St. Catharines. Negotiations between Domtar and the Canadian Paper Workers at Cornwall have also resumed but no progress has been reported.

[*Translation*]

The position of our department is very clear and very positive, Mr. Speaker.

The parties must return to the negotiation table as soon as possible and negotiate in good faith to allow work to resume in that vital industry.

[*English*]

Industry representatives are concerned about the economic situation of the industry and the fact that a major settlement has been completed in the industry in the United States calling for a 10 per cent increase in wages. The industry in Canada claims that the Canadian industry must close the gap in wages between Canada and the United States in the current round of negotiations. At present, according to the industry, Canadian wage rates are about 15 per cent higher than comparable wage rates in the United States paper industry.

PUBLISHING—POSSIBILITY OF ACTION TO PROTECT CANADIAN SHAREHOLDERS IN "READER'S DIGEST"

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, it was an ominous sight this evening to see the Prime Minister of Canada (Mr. Trudeau) eating crow on television, and to find the government reversing its policies in this House when only 18 months ago he was saying during the election campaign, "Don't be obsessed with inflation, we are rich."

● (2220)

I thank you, Sir, for the privilege of being granted tonight the right to speak on behalf of a group of forgotten

people, namely, the approximately 600 shareholders, Canadian citizens, who own 32 per cent of *Reader's Digest* (Canada) Limited. Let me quote the question I directed to the right hon. Prime Minister last Friday, December 5, pertaining to the adverse effects of his government's policies in Bill C-58 upon the economic interests of these Canadian citizens:

Mr. Speaker, my question is for the Prime Minister. In view of the serious adverse effect present legislation, Bill C-58, will have on the value of stocks held by 600 Canadian citizens in *Reader's Digest* (Canada), will the government take action to protect their equity which amounts to about 32 per cent of the ownership of the company?

The Prime Minister said in reply:

Mr. Speaker, I apologize; the import of the question has escaped me. I will take notice of it and try to answer, unless the hon. member wants to ask the question again.

I repeated the question and added this:

Three years ago, this stock was worth $32.50 on the market. This morning it is worth $7.00.

The Canadian people know that the main stock in trade of the government under the Trudeau brand of Liberalism is a form of anachronistic and petty nationalism where their control of the country and its government has reached such a stage that they must continually have a whipping boy to divert the attention of the electors and taxpayers in Canada from the appalling financial mess the government is in. There has been a long line-up of these whipping boys, and the Prime Minister brings them on stage whenever needed, just as Lester Pearson did before him.

The latest is a narrow form of petty nationalism levelled at the United States and all things emanating from that country. I will not use the form word "American" because we Canadians are just as American as the citizens of the United States of America. We are all Americans on these two continents.

I will not go into detail about Bill C-58, which is narrow, nationalistic legislation levelled principally at the publications *Time* magazine and *Reader's Digest*. I take you back nine years ago when the then form of Liberalism under Lester Pearson granted certain taxation privileges and exemptions to Canadian advertisers in these two magazines. Liberalism of the day strongly recommended even that they incorporate here in Canada and that Canadians participate in ownership to the recommended extent of at least 25 per cent. Although I do not believe *Time* magazine's management availed itself of taking this course, nevertheless *Reader's Digest* (Canada) did so. They incorporated in the city of Montreal, where they are an established Canadian entity in every way, with a modern plant, approximately a thousand employees, with a yearly payroll of $5.5 million, and have exceeded by quite a bit the extent of Canadian ownership recommended years ago by the Pearson government.

There are 585 shareholders, 569 of whom are Canadian, and most of them live in the province of Quebec. Some four years ago *Reader's Digest* (Canada) stock was selling at $32.50 per share. As a result of the Trudeau government's discriminatory meddling with the affairs of this company through its narrow nationalism, permitted by the Prime Minister and the hon. member for Peterborough (Mr. Faulkner), this stock has now fallen to an all-time low of $7. I would remind the minister that there are some *Reader's Digest* (Canada) shareholders in the constituency of Peterborough, and likewise remind the Prime Minister that there are many shareholders in his constituency of Mount Royal.

As witnessed by the Prime Minister's appalling and awesome statement on austerity tonight, I say to the Prime Minister and to the Secretary of State, who is the member for Peterborough, you have put the country within the past four years in the appalling state in which it is, and the decline of *Reader's Digest* (Canada) stock is certainly one of the barometers recording your dismal record. Yes, Canada and *Reader's Digest* (Canada) is at an all-time low, and despite the Prime Minister's expressions of surprise, Mr. Porter, the departing American ambassador, has legitimately tried to tell you that our inter-American relations are likewise at an all-time low.

More than that, there is a half-page ad in today's *Journal*, a message to the Government of Canada from 50 business firms of the graphic arts and printing trades suppliers of the Canadian *Reader's Digest*. They are not American firms. I quote from the *Journal* of December 17 as follows:

Has the Government, for example, taken into consideration the effect that Bill C-58 in its present form would have on companies which have purchased and committed themselves to specialized equipment to produce the Reader's Digest Magazines and other products? If this business is lost, it could seriously jeopardize many of these companies and, in some cases, cause bankruptcy.

We urge the Government of Canada, therefore, to find a solution that will enable the *Digest* to continue in Canada—as a responsible publisher and as a customer for our goods and services.

I say to the Prime Minister and to the Secretary of State, as is suggested in the article, that if they put the *Reader's Digest* out of business as a result of Bill C-58, they also put 50 other businesses and/or their suppliers out of business, or at least they diminish their trade and prosperity all because of a silly Canadian content provision. *Reader's Digest* is a responsible publisher and there are at least 50 other firms, all reputable, who are suppliers to *Reader's Digest*.

I have shown, Mr. Speaker, that most of the shareholders in *Reader's Digest* (Canada) live in Quebec, and I am indeed surprised at the lack of vocal support in this House from the Quebec members of parliament who certainly have constituents who are shareholders in this great publishing house, *Reader's Digest* (Canada). I say to you, Mr. Speaker, I am not a shareholder, but I am one who has always respected legitimate, productive industry and the investments required to operate legitimate industry, and I will not stand idly by and see these things that are necessary for the social and economic good of our country sacrificed on a phony and fiery altar of Trudeaucratic nationalism.

I call upon the Prime Minister, the Secretary of State the hon. member for Peterborough, and what is left of the right-thinking members of the Liberal Party, to sober up from this phony, nationalistic binge and either amend Bill C-58 in a democratic manner or throw it out of this House to the oblivion where it belongs, so that *Reader's Digest* (Canada) can continue to operate legitimately in Montreal, Province of Quebec, where its approximately 1,000 employees can continue to earn salaries and wages, and in order that, last but not least, the Canadian citizen share-

holders can retain some confidence in the stock in which, at the behest of Liberalism, they so willingly invested, and from which, sometime in the future, under a more stable government they might expect a reasonable financial return.

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Mr. Speaker, I thank the hon. member for allowing me also to refer tonight to the Prime Minister's (Mr. Trudeau) appearance on television. I am sure his prelude to his question will allow me to get in my few words. I think the Prime Minister showed a continuing leadership here tonight and on television in his search for co-operation from all Canadians in following the government's guidelines on restraint and in accepting the cutbacks which were announced here tonight, and which will be followed by members on this side of the House and I am sure by the Canadian people. I think we must admit that guidelines should be followed during this period.

However, to answer the hon. member, Mr. Speaker, the government does not intend to compensate the minority shareholders of *Reader's Digest* Association (Canada) Ltd. for losses in the value of their stock holdings. Investors who purchase shares do so in the expectation of capital gains, and also at the risk of possible depreciation in the value of their investment.

According to current Toronto market quotations, *Reader's Digest* shares never exceeded $10.25 per share during 1975, and were trading at approximately $8.25 per share prior to the introduction of Bill C-58 in January. The present market price is $7.25 per share. Thus there has been no serious adverse effect on the value of the stock that can be attributed to this legislation. Moreover, a review of the trading in *Reader's Digest* stock during 1973 and 1974 indicates an almost uninterrupted decline in value from a high of $30.50 in 1973 to a low of $8 on January 4, 1975. It will be recalled that the government's intention to bring in this legislation was not announced until January 23, 1975.

Motion agreed to and the House adjourned at 10.30 p.m.

APPENDIX «A»

Summary of the surtax proposal

* The surtax is imposed only on taxpayers with taxable incomes in excess of $30,000.

* It affects only federal taxes; provincial taxes are not changed.

* The surtax is for the taxation year 1976. It is estimated to apply to 170,000 taxpayers and yield $115 million.

* The surtax is calculated as 10 per cent of federal tax payable over and above a «surtax threshold,» that is, above $8,000, which is approximately the federal tax payable on taxable income of $30,000.

Surtax calculation

Married taxpayer with two children under 16

Earnings of $45,000

Earnings	$45,000
Taxable income	40,320
Federal tax before surtax	11,957
Less «surtax threshold»	8,000
Amount subject to surtax	$3,957
Surtax (10%)	$396

To ensure that surtax liabilities of Quebec residents are the same as those of the residents of other provinces, the surtax will be computed without reference to the 24-per-cent abatement for Quebec.

Surtax payable at various gross income levels

Married taxpayer with two children under 16

Gross Income	Surtax
$	$
30,000	0
35,000	10
40,000	201
45,000	396
50,000	591
60,000	998
70,000	1,428
100,000	2,786

Taxpayer is assumed to be under age 65 and to receive wage and salary income. Family allowances, calculated at 1975 rates, are added to income in computing tax. Taxpayer is assumed to take the standard deduction of $100 in respect of medical expenses and charitable contributions. In addition to personal exemptions, the employment expense allowance of 3% of wage and salary income to a maximum of $150 and UIC and Canada Pension Plan contributions, calculated at current rates, are deducted from income in computing tax.

APPENDIX «B»

December 11, 1975

Mr. Sylvain Cloutier
Deputy Minister of Transport
Transport Canada Building
Place de Ville
Ottawa, Ontario
K1A 0N5

Dear Mr. Cloutier,

I refer to our letter of December 10, 1975, concerning two air traffic controllers who were suspended at the Dorval Air Traffic Control Centre.

Because of the extreme urgency of the case, I visited the Control Centre last night in order to meet with the complainants and their superiors. As agreed with Mr. Walter McLeish, I was accompanied by Mr. C. G. Foy of your Department.

In addition to Messrs. M. Pitre and L. Desmarais, I met with both anglophone and francophone controllers. While consulting with these persons, I realized that finding a «technical» solution which everyone could respect would be impossible unless steps were taken rapidly to improve the psychological atmosphere of the Control Centre.

Although the question of ground-to-ground communications can, to a certain extent, be linked to that of air-ground communications (a problem I discussed in my letter of July 30, 1975), I believe they must be separated for the moment.

The discussions I had in Montreal also convinced me that your Department, while always giving overriding priority to air safety, will have to find, as quickly as possible, ways to allow the use of the French language in ground-to-ground communications between controllers who wish to use French. While I recognize that your Department's undeniable duty, from a legal and moral standpoint, is to protect the public if air safety appears to be in jeopardy, I find it abnormal, in principle, to oblige French-speaking controllers to speak to each other in English in the province of Quebec.

Without wishing for the moment to make formal recommendations which might take me into an area where I do not have your competence, I would like to propose for

now, as a working hypothesis, a three-point analysis, the essential goal of which is to bring the whole question back to a level where reason will prevail over all other considerations:

1) Given the circumstances existing for several weeks at the Dorval Control Centre, the two suspensions seemed inevitable. Even though, in ground-to-ground communications, certain interested parties assess in varying degrees the importance of the purely linguistic factor in air safety, our investigation reveals that the general climate of indiscipline at the Control Centre at the time of the suspension was a very clear threat to air safety.

2) The suspended employees (Messrs. S. Cormier and R. Buisson), and their superiors (Messrs. M. Pitre and L. Desmarais), were all to a certain extent victims of a situation which had been allowed to deteriorate for too long; indeed, the suspended persons were working in an atmosphere were insults and provocations between certain anglophones and certain francophones were commonplace: consequently, one can reasonably believe that the thoughtless behaviour of the suspended persons may have been the result of exasperation, tension, as well as perplexity about the often uneven application of sometimes ambiguous directives in the past. These same circumstances obliged the two supervisors to enforce regulations in conditions which, no doubt, were very distressing to them personally and which led them to carry the blame, in a certain part of the press, unjustly in my opinion, for having taken an unpopular decision.

3) Since the department will announce today that it will be in a position, at the beginning of January, to evaluate a study now in progress which seems to offer serious hope that French may be used in certain ground-to-ground communication it might find it useful to consider softening the financial effects of the two sanctions as a freely decided gesture to lower tensions. In my view, such a gesture would constitute neither a defeat nor a victory for anyone, nor would it give other employees a licence to commit acts of indiscipline affecting air safety while a solution is being worked out in short order.

Indeed, even though my mandate is to defend linguistic equality, I consider that the safety of passengers and aircrew must not in the slightest way be jeopardized by any political consideration. The problem now is simply to find a realistic procedure allowing us, if only briefly, to take the politics out of an issue that in the final analysis is technical in nature and, in my opinion, must be settled on technical grounds. At bottom, all the interested parties, be they anglophones or francophones, controllers, pilots or departmental specialists, state that their attitudes on language use are based solely on concern for air safety. I believe that Canadians expect all these professionals to explain the soundness of their respective positions through objective arguments. Plainly, this will be possible only if the Ministry manages to establish the climate of serenity which is one of the principal goals of the steps we have taken and of the present letter.

I would appreciate receiving any comments you may have at your earliest convenience.

Yours sincerely,

Keith Spicer

December 12, 1975

Mr. Sylvain Cloutier
Deputy Minister of Transports
Transports Canada Building
Place de Ville
Ottawa, Ontario
K1A 0N5

Dear Mr. Cloutier,

You will find enclosed an article which appeared in The Montreal Gazette of December 10, 1975, describing the suspension of two French-speaking air traffic controllers in Montreal and of an English-speaking air traffic controller working in Quebec City.

In the course of discussions I had with English and French-speaking controllers at the Dorval Air Traffic Control Centre during the night of December 10 to 11, I learned that the English-speaking controller was actually working in Montreal. I was unable to get in touch with him at that time.

In conjunction with our investigation already in progress concerning language procedures in ground-to-ground communications at the Dorval Air Traffic Control Centre, I would like to specify that the suggestion I made in my letter of December 11, 1975, concerning the softening of the financial effects of the two suspensions also applies to the English-speaking controller who had to take a day's leave without pay.

Yours sincerely,

Keith Spicer

TREASURY BOARD

"APPENDIX C"

NOTES ON THE EXPENDITURE REDUCTIONS

The government's expenditure planning cycle for the fiscal year 1976-77 began early in 1975. Departmental expenditure proposals were received in March and following analysis, the Treasury Board developed their first recommendations on expenditures which were approved by Cabinet in July. By November because of revisions in forecasts to statutory or other highly committed programs, the total requirement was considered to be too great by about $1.5 billion. A review was begun culminating in the reductions listed below.

DETAILS OF EXPENDITURE REDUCTIONS

(Asterisk indicates non-budgetary item that is to be financed by loan or guarantee from the private sector. Man-year reductions are in brackets.)

Programs eliminated or reduced below 1975-76 levels.

		Budgetary	Non Budgetary
		(Millions of Dollars)	
Agriculture			
Crop insurance, reduce federal share		10.1	
Consumer and Corporate Affairs			
Administration	(20)	0.3	
Consumer Program	(19)	0.6	
Other	(13)	0.1	
Energy, Mines and Resources			
Operating Expenditures		3.5	
Capital		1.0	
Atomic Energy of Canada Limited		8.0	
Eldorado Nuclear Limited - eliminate support for uranium explorations		3.5	

	Budgetary	Non Budgetary
	(Millions of Dollars)	
Environment		
Reduction in support for development of pollution abatement technology	2.0	
Reduction in provision for correcting pollution caused by federal facilities	5.0	
Defer replacement of a vessel	2.0	
Reduce fishing vessel subsidies	1.0	
Other items		
Administration (31)	0.6	
Fisheries and Marine (31)	0.6	
Environmental Services (31)	0.6	
Industry Trade and Commerce		
Program for Advancement of Industrial Technology and Defence Industry Productivity Program	5.0	
Miscellaneous grants	2.0	
Tourism (28)	3.5	
Industrial research and development incentives	3.0	
Labour		
Information Canada - terminate agency but retain bookstores and Exhibition Commission (320)	6.0	
Manpower and Immigration		
Cancel Opportunities for Youth for summer of 1976	36.0	
Cancel indexing of training allowances and change selection criteria	20.0	
National Health and Welfare		
Cancel the January indexing of family allowances	221.3	
Other - administration and operations (37)	2.5	
Public Works		
Reduce capital vote	30.0	
Secretary of State		
Company of Young Canadians - terminate agency	6.1	
Travel and Exchange	3.0	
Citizenship promotion	0.5	

	Budgetary	Non Budgetary
	(Millions of Dollars)	
Transport		
Increase tariffs for East Coast Gulf and coastal services	5.0	
Canadian Transport Commission - reduce level of subsidies on the movement of certain commodities now provided under the Maritime Freight Rate Assistance Act and the Atlantic Region Freight Assistance Act	5.0	
- reduce level of transcontinental and other rail passenger service	10.0	
- eliminate subsidy on movement of flour and grain for export through East Coast ports	11.0	
Canadian National Railways - reduce direct government financing		332.3*
Treasury Board		
Bilingualism development, salary funds for staff hired to replace trainees	10.0	
Federal Labour Intensive Program	12.5	
Urban Affairs		
Ministry - Reduce grants and contributions	2.5	
Savings through freeze on salaries of an estimated 5,500 senior officers	13.5	
Sub-total	446.7	332.3
Reductions from 1976-77 levels as planned in November		
Agriculture		
Farm Credit Corporation		20.0
Contribution to Saskatchewan Veterinary College	2.0	
Energy, Mines and Resources		
Atomic Energy of Canada Limited - reductions in cash flow for La Prade Heavy Water Plant by stretching out construction		60.0
Environment		
Absorption of price increases	8.7	

	Budgetary	Non Budgetary
	(Millions of Dollars)	
External Affairs		
New posts abroad to be financed and manned within available resources (12)	0.8	
Reduce capital programs	1.0	
Canadian International Development Agency - reduction in aid level to $1,000 million in 1976-77	75.0	8.0
Indian Affairs		
Parks - capital (20)	13.5	
Northern Program - capital	3.7	
Northern exploration assistance	0.4	
Indian Program - schools and other capital (10)	11.0	
Operating costs (60)	6.4	
Industry, Trade and Commerce		
Shipbuilding subsidies	15.0	
DHC-7, finance through bank loan		50.7*
Federal Business Development Bank -reduce allocation		40.0
Export Development Corporation - reduce allocation		25.0
- require greater recourse to outside borrowing		50.0*
Manpower and Immigration		
Reshape Local Initiatives Program for 1976-77 (20)	35.0	
National Health and Welfare		
Medical Research Council - freeze grants at 1975-76 level	6.6	
National Revenue		
Customs and Excise (30)	1.0	
Taxation	0.3	
Parliament		
Members' salaries	0.6	

	Budgetary	Non Budgetary
	(Millions of Dollars)	
Post Office		
Limitation on the introduction and extension of postal service and facilities (305)	10.0	
Regional Economic Expansion		
Freeze at 1975-76 level	11.6	
Science and Technology		
National Research Council - freeze grants at 1975-76 level	8.2	
Secretary of State		
Canada Council - freeze humanities research grants at 1975-76 level	2.3	
Canadian Broadcasting Corporation - general reductions	15.0	
Administration	1.2	
Festival Canada activities	0.2	
Bilingualism	2.6	
Massey Hall Grant	2.5	
Solicitor General		
Correctional Services - capital	7.0	
Transport		
Additional charges to air carriers for Ministry of Transport facilities and services	7.2	14.8
Reduce the level of funding to be made available under Part II of the Railway Relocation and Crossing Act	5.0	
National Harbours Board - reduce capital expenditures		6.0
Treasury Board		
Contingencies Vote, on the assumption of the effect of wage guidelines	20.0	
Urban Affairs		
Ministry - reduce operating expenditures (13)	0.6	
CMHC - reduce cash flow		65.0
Federal Mortgage Exchange Corporation - require that $50 million of $75 million made available be used to purchase CMHC mortgages so as to reduce CMHC cash requirements		50.0
NCC - reduce capital and operating expenditures	3.5	5.0

	Budgetary	Non Budgetary
	(Millions of Dollars)	
Veterans Affairs		
Reduce capital expenditures on hospitals	2.0	
Reductions made during program review of Main Estimates submissions		
- Travel	4.9	
- Professional and Special Services	18.7	
- Price increases not allowed	21.7	
- Other items (furniture and equipment, materials and supplies, repairs and rentals)	56.6	
Sub-total	381.8	394.5
GRAND TOTAL	828.5	726.8

FURTHER EXPLANATORY NOTES ON CERTAIN ITEMS IN THE EXPENDITURE REDUCTION LIST

Crop Insurance - The federal government contributes 50 percent of the premium costs of crop insurance in all provinces except the Atlantic Provinces (except PEI) and Quebec where it contributes 25 percent of premium costs and 25 percent of administration costs.

Development and Demonstration of Pollution Abatement Technology - The federal government provides support to industry in developing technology on air and water pollution problems.

PAIT - Assistance to firms in manufacturing and processing industries, normally in the form of a non-repayable contribution for 50 percent of project costs.

DIP - There are two parts to this program:

(a) assistance to product development in defence industries in the form of grants to cover 50 percent of the cost of projects; and

(b) industrial modernization for defence exports. Grants are paid on 50 percent of the project cost supplemented by loans for the other 50 percent.

Opportunities for Youth - Part of the Student Summer Employment and Activities Program (SSEAP) was initiated for the summer of 1971-72. The budget for 1975-76 for SSEAP was about $60 million with OFY the largest component at about $35 million.

Training Allowances, Canadian Manpower Training Program - The legislation calls for changing the level of allowances for changes in the cost of living.

Transcontinental Service - Passenger train subsidies for the transcontinental service under the Railway Act are estimated at $72 million for 1976-77. Reduced service will decrease the subsidy.

Treasury Board Bilingualism Development Vote - An amount of $50 million was contained in a TB vote in 1975-76 to cover salaries of those hired to replace public servants sent on language training and a few other relatively much less significant costs under the bilingualism program. The amount will be reduced to $40 million in 1976-77.

Federal Labour Intensive Program - Additional labour intensive expenditures by the federal government to ease winter unemployment. Announced in the June 23 budget.

CIDA - Aid program for 1975-76 at $903 million is expected to equal .565 of 1 percent of GNP. The 1976-77 level of $1,000 million is expected to equal only .541 of 1 percent of GNP.

Shipbuilding Subsidies - The Shipbuilding Assistance Program provides a subsidy of 14 percent on ships constructed in Canada. The percentage will decline gradually to 8 percent in six years.

Railway Relocation and Crossing Act, Part 2 - Special assistance provided where the costs of railway grade separation projects (under Part 3) exceed statutory limits.

Treasury Board Contingencies Vote - Departments carry a prescribed partial allowance for general salary increases in their votes. The Treasury Board carries another amount to make up the difference from the expected total. With the introduction of wage guidelines with the 8 + 2 + 2 formula, it was thought safe to reduce the contingency fund.

HOUSE OF COMMONS

Friday, December 19, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

PROPOSED MONITORING AND REPORTING OF EFFECT OF REDUCTION IN GOVERNMENT EXPENDITURES IN DISADVANTAGED REGIONS—MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, in light of the announcement yesterday with respect to the reduction in government expenditures this year and next, I am sure that all members of the House would want to be sure in some ongoing way that these reductions and expenditures would not inconvenience those who are least able to protect themselves, particularly those living in the disadvantaged regions of the country. Therefore, I hope this motion will find general acceptance. Under the provisions of Standing Order 43 I move, seconded by the hon. member for Malpeque (Mr. MacLean):

That the Minister of Regional Economic Expansion be instructed by the House to monitor and report, on a monthly basis, any detrimental impact which the alteration of government expenditures might have on the present economic and social development in regions in which the Department of Regional Economic Expansion has a responsibility.

Mr. Speaker: The motion cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED RE-INTRODUCTION OF SUBSIDY ON FLUID MILK—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important and urgent matter.

Since, according to the answer of the Minister of Agriculture to a question directed to him on December 18, 1975, the consumption of fluid milk in Quebec has increased in 1975 and if the same phenomenon had occurred in the other provinces we would not be experiencing such problems today, I move, seconded by the hon. member for Shefford (Mr. Rondeau):

That the government draw the attention of the House to a policy aimed at encouraging the Canadian people to consume more fluid milk and that such incitement be accompanied by a consumer subsidy.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

● (1110)

[*English*]

HOUSE OF COMMONS

RECOGNITION OF RETURN TO CHAMBER OF MEMBER FOR BRANDON-SOURIS FOLLOWING ILLNESS

Mr. Speaker: Before proceeding with oral questions, I know that hon. members will want to join me in recognizing with appropriate warmth the return to the chamber of the hon. member for Brandon-Souris (Mr. Dinsdale).

Some hon. Members: Hear, hear!

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, if I may be allowed a few words on this occasion, I have had about four speeches burning in my bosom for the last few weeks. I will not try to unload them all at one time, but I should like to express appreciation, first of all, to you, Sir, for your messages on behalf of all hon. members of this House during my recent illness.

I should like especially to mention messages received from the three leading officials of this chamber. When a person has been through what I have been through in the last few weeks—and I am sure the hon. member for Glengarry-Prescott-Russell will agree with me in this regard—he thinks about the chamber and the things which are taking place here, and it sort of assumes an ethereal glow. All one can see is the stained glass windows, and reflected in the glow is the halo effect which seems to reside over some figures in the chamber to a greater extent than to others. This was actually substantiated in my own experience because the warmest messages and the messages which showed the greatest concern and personal involvement came from the right hon. Prime Minister, the Leader of the Opposition and the right hon. member for Prince Albert. That is why the halo effect is stronger around these three people than any other, in my mind's eye.

House of Commons

I first became aware of the Prime Minister at the Resources for Tomorrow Conference back in 1961 when he was then a professor. He has demonstrated many hidden resources since that time since he has assumed the responsibility for the leadership of this House. The Leader of the Opposition wrote a most encouraging and helpful note at a most critical time. The right hon. gentleman from Prince Albert, with his great sense of timing—one hour before I went for surgery—sent to my room an autographed copy of his book "One Canada". Believe me, that was a reality to hang on to for the next few days. I think it was Thomas Carlyle who said that if you want to see demonstrated beyond a shadow of a doubt the truth of original sin, attend a session of the House of Commons. Of course, he was referring to the British house. You might even have it demonstrated here. But let me tell you, Mr. Speaker, that there is a warmth and friendship that you find only in this place and I do appreciate everything that has been done and written and said on my behalf.

I should like to extend a special message to the Postmaster General (Mr. Mackasey) who is not with us this morning. He too, made a concrete gesture. He sent me a tape in quadraphonic sound so that the music was coming at me from all sides—and not of an Irish jig but a beautiful tape recording of "The Sound of Music". I was just going to suggest that he make the same gesture to Joe Davidson at this Christmas time because as we all know, music hath charms to soothe the savage breast. A wise man also has said, "Let me write the songs of a nation and I care not who makes its laws."

I should like to mention, too, the staff of the National Defence Medical Centre, one of the finest hospitals in the nation, under the leadership of Dr. Fitzgibbon.

Some hon. Members: Hear, hear!

Mr. Dinsdale: Also the staff of the Civic hospital under Dr. Keon. It is one of the finest cardiac centres in the nation and it is going to be in the forefront when the new cardiac unit opens some time in the spring.

Perhaps I might be allowed one final message, Mr. Speaker. On the eve of Christmas I recall an old saying: plus ça change, plus c'est la même chose. The first message I receive when I come back to the House is the decree of Caesar Augustus that all the world should be taxed. It is not simple, it is not new—it is an old message. I am sure it is more than coincidence that it has been saved for the Christmas period; but we know from history that man proposes and God disposes.

I wind up my remarks by extending the greetings of the thousands of Tiny Tims and Bob Cratchets, the backbone of the nation: A Merry Christmas to all and God bless us all—and God help us all.

Thank you, Mr. Speaker.

Mr. Speaker: Oral Questions.

[Mr. Dinsdale.]

ORAL QUESTION PERIOD

[*English*]

TRADE

EFFECT OF TAX ON EXPORTS ON MULTINATIONALS AND FOREIGN PAYMENTS DEFICIT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance relating to the tax levy on exports. In view of the tax of 100 per cent on the excess of export prices above domestic prices and the encouragement this would give multinational companies with subsidiaries in countries other than Canada to export from those countries rather than Canada, how does the government propose to offset the possibly disastrous effect upon our exports?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, reflecting on many of the major export industries in Canada, the forest products industry and minerals in particular, I would say that the hon. gentleman's expression of concern would not appear to be well founded.

Mr. Stanfield: A supplementary question, Mr. Speaker, about another concern I have. In view of what seems to be the harmful effect of this tax and the probable discouragement to the processing of raw materials in Canada as opposed to multinationals using other countries with a more favourable tax arrangement to process the raw materials, how does the Minister of Finance propose to offset this?

● (1120)

Mr. Macdonald (Rosedale): Mr. Speaker, I repeat, I do not think that follows. Indeed, the provision for the proceeds of the tax specifically to be reinvested in additional capital facilities we fell will enhance the probability of further processing facilities being constructed in Canada.

Mr. Stanfield: A further supplementary question, Mr. Speaker. I want to make certain I am right. Is it the minister's view that the proposed 100 per cent tax levy on the differential between the domestic and export price on particular exports will not affect significantly potential Canadian exports and not contribute to the already substantial foreign payments deficit which exists in Canada's trade? Is that the government's position?

Mr. Macdonald (Rosedale): Mr. Speaker, obviously, the foreign trade deficit is related to the impact of recession on our major foreign markets, and the recession there has been very much more marked than the recession in Canada. We do not feel that the expected recovery of exports from Canada, as those foreign markets recover, will be adversely affected by the export levy.

EFFECT OF TAX ON EXPORTS ON EXPORT SALES NEXT YEAR

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce? Has the minister estimated the extent of the impact of this disincentive on export sales next year and has he any plans to counteract the negative effect of this disincentive on our sales

in what is already a weak international position for Canada?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, in making projections I do not think I want to use words like "disincentive" or "negative impact." I have forgotten exactly what the hon. member said. Of course, it is not possible to forecast accurately our exports next year, but my canvassing of the business community leads me to believe they anticipate an upturn, particularly in the United States if, as now seems evident, that nation's economy turns upward, in accordance with the OECD forecast for the United States and Canada. Therefore, 1976 looks as if it will be a better year for exports. By the same token, as things now stand, present export prices are not likely to result in large levies of the particular tax to which the hon. member referred. I shall continue discussions with the export community and help them, through various missions around the world, to take advantage of new opportunities next year and beyond.

Mr. Hees: A further supplementary question, Mr. Speaker. As the minister's conversation with exporters obviously took place before the tax was announced last night, does he not feel, as the Leader of the Opposition said, that the tax will be a disincentive for multinational corporations which will tend to send exports from plants in other countries rather than from plants in Canada?

Mr. Jamieson: Mr. Speaker, although the tax itself was announced yesterday, the white paper made clear reference to it. In the two months inbetween I have had extensive discussions with the export community. I would not want to say they are wholly satisfied with the measure. I have not had an opportunity since last night to discuss the specifics of it with them. Generally speaking, it is fair to say that, at the moment, the export community would welcome a substantial increase in the prices available in export markets. In other words, profit margins are not that high at present, and I suspect that is their number one concern, not the tax itself. As for multinationals, to the best of my recollection there was no reference made to this question by any of the major exporters to whom I spoke and with whom the Minister of Finance and I held discussions.

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INCOME TAX

EFFECT OF IMPOSITION OF TEN PER CENT SURTAX

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Finance. Considering that many people in the country are under the illusion that the government has decided to impose a special 10 per cent surtax on all incomes exceeding $30,000, would the minister confirm that the bill he introduced yesterday will simply impose a 10 per cent surtax on all payable tax in excess of $8,000, and that this will result, for example, in a man earning $35,000, with two children, paying only $10 more?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the exact figures were presented in the House yesterday and are appended to *Hansard*.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBLE MEASURES TO INCREASE BURDEN ON THE RICH

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I thank the minister for the confirmation. May I ask the following supplementary question? Considering that the minister said yesterday that the rich should "shoulder some share of the burden," and considering that the removal of the escalation from family allowances will ensure that low income families will do more than their share of shouldering the burden, the extent of $27 per child, can the minister tell the House if the government will be introducing other measures to increase the burden on the rich?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would remind the hon. member that with regard to the family allowance, not only does it affect everyone, including the hon. member and myself, as does the surcharge—

Mr. Broadbent: We won't suffer much.

Mr. Macdonald (Rosedale): Indeed, we won't suffer much. No one will suffer unduly from either the surcharge or the expenditure proposals of my colleague.

Mr. Broadbent: The minister stated it well when he said that none of us in the upper income group will bear much of a burden.

Some hon. Members: Oh, oh!

Mr. Broadbent: Since in fact we will not be suffering much or bearing much of the burden, does the minister and the government not think it is time to impose a 100 per cent surtax on all increases in income in excess of the $2,400?

Mr. Macdonald (Rosedale): Mr. Speaker, I think the hon. member will have recognized from the reaction to his remarks that he did not state honestly what I just said.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I said that none of us in Canada will suffer unduly from this program. I wish the hon. member would not try to put words in my mouth.

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[*Translation*]

FINANCE

POSSIBILITY OF FURTHER REDUCTIONS IN EXPENDITURES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the President of the Treasury Board following the cuts announced last night.

Can the minister tell the House whether other cuts in other sectors of the economy will be announced soon?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, we are continually considering every opportunity that might help reduce the government's expenditure program, but I do not expect any other announcement of this nature in the coming months.

Mr. Rondeau: Mr. Speaker, I would like to put a supplementary question to the Prime Minister.

Since 40 per cent of the national budget is earmarked for the interest on the national debt, National Defence and civil service, can the Prime Minister inform the House whether the government intends to review its expenditures for $13 billion more and advocate measures that would help save money where it is wasted at the present time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not checked the figures advanced by the hon. member, but I would be very happy if he would give me more precise indications, namely where there are frivolous expenditures or where money is wasted as he indicates. Such a sweeping statement carries no weight.

* * *

[*English*]

GOVERNMENT ADMINISTRATION

LEVEL AT WHICH ESTIMATES OF DEPARTMENT OF REGIONAL ECONOMIC EXPANSION FROZEN

Mr. David MacDonald (Egmont): Mr. Speaker, I would have directed my question to the Minister of Regional Economic Expansion, but unfortunately he is not here. He may have left the country in tears, I am not sure. I therefore put the question to the President of the Treasury Board. It is with regard to the Department of Regional Economic Expansion. Will the minister clarify if the level at which DREE is being frozen is the level set in the main estimates or whether it includes the supplementary estimates as well? More specifically, can he indicate how these measures will affect the Atlantic region, keeping in mind that virtually all the transportation cuts were with respect to that region.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the amount of money quoted yesterday in connection with the regional economic expansion program is the same as that which appeared in the estimates for 1975-76.

I wish to indicate to the hon. member that, as far as money is concerned, the Department of Regional Economic Expansion will be authorized to spend, I think, $30 million more that it would have spent otherwise during the fiscal year 1975-76.

[*English*]

REASON REDUCED EXPENDITURES HAVE GREATEST EFFECT IN ATLANTIC REGION—POSSIBLE CONSULTATION WITH PROVINCES

Mr. David MacDonald (Egmont): Since the proposed spending reductions announced last night include increasing tariffs for east coast, gulf and coastal services, a reduction in the level of subsidies for the Maritime Freight Rate Assistance Act and the Atlantic Freight Rate Assistance Act and the total elimination of the subsidy on the movement of flour and grain for export through east coast ports, will the minister explain why the cuts in this department were not distributed more equitably or why a particular attack was made on the increasing burden of transportation costs to the Atlantic region specifically?

● (1130)

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the review of subsidies for freight rates in eastern Canada is a continuing process. During the past few years we have improved other types of transportation in this area, including those by trucks. As to the second part of the question, the subsidies paid for storing grains in eastern sea ports were for export purposes, which has nothing to do with the local economy of the maritime provinces.

[*English*]

Mr. MacDonald (Egmont): Having regard to the growing concern felt by the four Atlantic premiers and in the light of the result of special studies commissioned by them showing that the principal handicap to effective development in the region is transportation costs and lack of transport facilities, can the minister tell us whether any consultation has been entered into or will now take place with regard to the decision to increase this burden further, totally undercutting any programs or activities carried on by the Department of Regional Economic Expansion?

[*Translation*]

Mr. Chrétien: Mr. Speaker, there is no doubt in my mind that the issues raised by the hon. member will be discussed at the ministerial level by the Minister of Transport and those responsible in the maritime provinces.

* * *

[*English*]

TRANSPORT

ATLANTIC REGION—EFFECT OF REDUCED TRANSPORTATION SUBSIDIES ON COST OF LIVING—GOVERNMENT MEASURES TO OFFSET

Mr. James A. McGrath (St. John's East): A supplementary question to the Minister of Transport. In view of the impact the transportation sections of his colleague's statement will have on the cost of living in the Atlantic provinces, provinces which are already burdened by the highest rate of unemployment and, indeed, the highest cost of living in the country, has the minister undertaken any analysis of the impact these measures will have on the total cost of transportation in the Atlantic provinces? What

steps does the government propose to take to offset this impact on the prices of consumer goods in the region?

Hon. Otto E. Lang (Minister of Transport): It should be appreciated that the greater part of the dollars being retained in transportation cuts in relation to the Atlantic region are on movements of grain for export and therefore there is no impact whatever from that section on any costs in the maritime region. The whole question of the appropriate approach to freight rate assistance in the Atlantic region is one which will be discussed between myself and the four Atlantic ministers. The cut in question here represents a very small portion of the total support being given to freight in that region.

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TRADE

EFFECT OF RESTRAINT PROGRAM ON SALE OF CANDU REACTORS TO ARGENTINA AND SOUTH KOREA

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Can the minister tell us what effect the restraint program announced last night will have on the provision of the two CANDU reactors to South Korea and Argentina bearing in mind that the provision of these reactors will probably cost the Canadian taxpayers hundreds of millions of dollars.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): In the case of Argentina an indication has already been given by my colleague, the Minister of Energy, Mines and Resources, that renegotiation of that contract is now under way. I have not heard from him, obviously, since he has been away in Paris, how those talks are going. As to South Korea, there has been no change to the best of my knowledge in the circumstances which were announced in the House and elsewhere in recent weeks. In other words, as far as I am aware, arrangements for that sale have not been changed in any way.

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ATOMIC ENERGY OF CANADA

SUGGESTION CORPORATION RAISE FUNDS FROM PRIVATE SECTOR

Mr. Allan Lawrence (Northumberland-Durham): My supplementary is directed to the Prime Minister. Part of the double shuffle we heard last night meant that Canadian National will in future have to raise funds from the private sector. Has the right hon. gentleman given any thought to requiring Atomic Energy of Canada Limited to raise its funds from the private sector as well?

Right Hon. P. E. Trudeau (Prime Minister): I thank the hon. member for his suggestion.

Some hon. Members: Oh!

TRANSPORT

REQUEST FOR RECONCILIATION OF REDUCED EXPENDITURES ON RAIL PASSENGER SERVICE AND POLICY OF REVITALIZATION

Mr. Jack Murta (Lisgar): Mr. Speaker, my supplementary is addressed to the Minister of Transport. Will he reconcile the statement he made recently that in the near future he would announce what he called he called a revitalization policy with regard to passenger rail transportation movement with the reduction by some $10 million of expenditure on transcontinental and other rail passenger services announced last night?

Hon. Otto E. Lang (Minister of Transport): I did indicate in earlier statements that I hoped to make a broad statement of policy pointing in the direction of the provision of rail services for passengers in Canada early in the New Year. Without any doubt, a certain part of that statement will imply a diminution in certain of the services which are very costly in proportion to the use being made of them. Other parts of the statement, however, will imply revitalization in terms of the purchase of additional equipment which in future years will lead to additional services being provided in a better way. Those two things involve more immediate cuts in some of the losses but at the same time an investment of money in the future for better service where service is retained.

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[*Translation*]

GOVERNMENT ADMINISTRATION

SUGGESTION THAT WASTE BE ELIMINATED

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Since the federal government yesterday requested Canadians, especially the poor, to make every sacrifice to fight against inflation, can the right hon. Prime Minister today assure the House that the government will act immediately with regard to several recommendations made by the Auditor General to curtail wastes and duplication still existing in several programs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the hon. member is aware, the President of the Treasury Board yesterday announced a great many cuts in the administrative areas themselves. We hope that will prevent the so-called wastes mentioned by the hon. member. However, I can assure the hon. member, knowing his competence and his sincerity, that if he has some particular examples of massive, significant and sustained wastes, I will be very glad to discuss them with him.

Mr. Grafftey: Mr. Speaker, I want to ask a supplementary and specific question to the right hon. Prime Minister.

Will the government take immediate action about the recommendations of the Auditor General concerning the centralization of control over expenditures in order to prevent waste and duplication?

Mr. Trudeau: Mr. Speaker, I think the President of the Treasury Board has already had the opportunity to tell the

House in the last few days—perhaps the hon. member was not listening at the time—that we intend to implement the majority of the recommendations of the Auditor General. At the beginning of the New Year, the President of the Treasury Board will probably be in a position to present a more specific bill of the House.

* * *

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR ESTIMATE OF UNEMPLOYMENT IN 1976—POSSIBLE MEASURES TO INCREASE EMPLOYMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Minister of Finance. In view of the elimination and cutting back of many government programs announced last night and the indirect effect this will probably have on employment in this country by depressing the economy as well as the statement he made that the cutbacks will perhaps affect those of moderate means, I should like to ask the minister whether or not the government is anticipating more unemployment in 1976. If so, can he tell the House what his projections are?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we think the most important growth factor, as I mentioned to the Leader of the Opposition earlier, will be the ability of the Canadian export industry to secure an increased volume of exports to foreign markets, a situation which has been restrained by the recession affecting those foreign markets. It is of course, difficult to make a prediction about our own economy while we cannot with ease make a prediction about the economies in those countries to which we provide goods. I might add, however, that according to the OECD analysis there is the prospect of substantial growth in Canada during 1976 and this, of course, would have a positive effect on the employment rate.

Mr. Nystrom: In view of the fact that the same OECD report also predicted an increase in unemployment, and since the Conference Board has made the same prediction, according to the newspapers this morning, will the government be announcing in the near future any new programs designed to increase employment in this country?

Mr. Macdonald (Rosedale): We have no such announcement in prospect at the moment.

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GOVERNMENT ADMINISTRATION

VIEW OF PUBLIC OF GOVERNMENT ATTITUDE TOWARDS RESTRAINT PROGRAM

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Prime Minister. With the government increasing expenditures next year by 15 per cent in what will probably be an 11 per cent inflation situation, and in spite of the restraints it claims it is imposing on itself, and with a net increase of 8,000 predicted in the size of the public service, how can the government expect the Canadian public to believe it is honest and serious in its so-called belt-tightening operation?

● (1140)

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, the question seems somewhat argumentative. I would suggest to the hon. member that he and his colleagues should not at one and the same time argue that we should cut more and then complain about cuts we have already made. I put to the hon. member the suggestion that I put to the hon. member for Brome-Missisquoi; if he has specific examples of cuts that he would like to see take place that are of any significance, I wish he would state them.

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. I suggest to the Prime Minister that he is the leader of the government and that it is up to him to propose the cuts.

Mr. Speaker: That may be a very attractive debate but it should be reserved for some other time. If the hon. member has a supplementary question, would he put it.

Mr. Munro (Esquimalt-Saanich): Yes, Mr. Speaker, I do have a supplementary question. Can the Prime Minister stand in this House today and say honestly that he and the government are really committed to restraint and are not asking the disadvantaged to bear the greatest burden of the austerity program?

PROPOSED ELIMINATION OF PETRO-CAN RATHER THAN REDUCTION OF OTHER PROGRAMS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question also for the Prime Minister which relates to his request for suggestions. It appears that the total amount that the government projects it will save by the cuts which were proposed last night in useful social programs is somewhere in the vicinity of $1.5 billion. This is the same sum as spent on establishing Petro-Can. In view of the usefulness of some of these programs, why did the government not propose to cut Petro-Can instead, the existence of which is somewhat questionable?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is an interesting suggestion which perhaps should be taken into consideration in view of the investment that Petro-Can has in Syncrude, which is in the hon. member's constituency.

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FISHERIES

SWORDFISH—SUGGESTED DISCUSSION OF EXCLUSION FROM UNITED STATES MARKET

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question concerns putting Canadians to work; it is a yuletide hope addressed to the Acting Minister of the Environment in his fisheries capacity. Would he again raise with Washington the ridiculous situation that excludes Canadian swordfishermen from United States

markets? I ask this question on behalf of the residents of the former swordfishing capital of the world, which is in Halifax-East Hants.

Hon. Roméo LeBlanc (Acting Minister of the Environment): Mr. Speaker, I have asked my colleague, the Minister of National Health and Welfare, to reassess our own situation—our own evaluation and standards—and if we can secure a progress report on the matter I am sure we will be able to make those arguments to the United States authorities.

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GOVERNMENT ADMINISTRATION

REDUCTIONS IN EXPENDITURE ON PROFESSIONAL SERVICES AND EQUIPMENT AND RENTALS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct a question to the President of the Treasury Board. Since the reduction in professional and special services is only 2 per cent of the 1975-76 estimates and the reduction in equipment and rentals is only 5 per cent of the 1975-76 estimates, are the Canadian people expected to believe that the reduction in these areas, two of the most abused areas for unnecessary expenditures, is anything more than tokenism?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I would have liked the hon. member to be a little more precise because, when they speak of consultants, the opposition often include the whole adult extension course system which is very important and difficult to cut. If he could be precise, I could make him aware of the fact that we already made a cut in this program in July and that we propose additional cuts for next year. Of course, the cost of these programs is also affected by inflation, which means that the reduction is much greater than suggested by the hon. member.

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[*English*]

SOCIAL SECURITY

FAMILY ALLOWANCE—REASON FOR FAILURE TO FOLLOW PAYMENT METHOD ADOPTED IN FRANCE

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, has the Minister of National Health and Welfare considered the system of family allowance payments in France, where only those persons below a certain income level are eligible to receive payments; and for what reason would such a system not be introduced in Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): Yes, Mr. Speaker, I have. It was even considered by this House a few years ago but was turned down, thanks to one member of the opposition at that time.

ANTI-INFLATION BOARD

REQUEST FOR EXPLANATION OF DECISION ON SETTLEMENT WITH IRVING PULP AND PAPER—EFFECT ON COLLECTIVE BARGAINING

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Labour. In view of the decision of the Anti-Inflation Board to turn down the proposed 23 per cent wage settlement between the Irving Pulp and Paper Company and the Canadian Paper Workers Union, while at the same time approving elsewhere a similar increase for audio-visual technicians, can the minister explain where is the consistency in interpretation of the guidelines on historical relationships and expired contracts by the Anti-Inflation Board?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the Anti-Inflation Board explained its reasoning and reconciliation in its statement, if the hon. member would care to study it.

Mr. Symes: In view of the fact, Mr. Speaker, that the explanations are contradictory I would ask a supplementary question. In view of the decision by the Anti-Inflation Board in the Irving settlement to allow a 14 per cent wage increase and the statement made by the chairman of Abitibi that even this is too much, would the minister now recognize that, in effect, the companies have given up their obligation to bargain in good faith and that the unions are now forced, in effect, to bargain with the Anti-Inflation Board, something that the government did not want because it would destroy the collective bargaining process?

Mr. Munro (Hamilton East): No, Mr. Speaker.

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GOVERNMENT ADMINISTRATION

REQUEST FOR EXPLANATION OF CUT IN BUDGET OF FARM CREDIT CORPORATION

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I have a question for the President of the Treasury Board. Since the December and July cuts in the budget of the Farm Credit Corporation are both listed at $20 million, is this December cut of $20 million in addition, or is it simply the July figure repeated?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I am not in a position to give a precise answer to the hon. member; I shall try to do so before the end of the question period.

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[*English*]

FOREIGN INVESTMENT

POSSIBLE TAKEOVER OF WESTINGHOUSE—REQUEST FOR REPORT ON APPLICATION AND ASSURANCE JOBS WILL BE SAVED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of

Industry, Trade and Commerce in regard to the Westinghouse matter, White Consolidated and General Steel Wares. In light of the fact that this will be one of the last opportunities that we will have to get a report from the minister on the cabinet committee recommendations regarding involvement of the province and, more importantly, the expediting of the application of White Consolidated, would the minister give the House some report now so we can determine what is happening with the application?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I will do my very best. I think the hon. member will understand that as to the substance of the application I am not free to discuss it. As to the timing, I had conversations with Minister Bennett of Ontario yesterday and asked him to speed up as rapidly as he can the representations that the government of Ontario is, of course, entitled to make on this matter. I have also asked the Foreign Investment Review Agency to do the same. Attempting to set a specific time frame is difficult, but I hope that by the middle of January at the latest I will get a recommendation from the Foreign Investment Review Agency, which I can assure the hon. member, as I have assured the Minister of Labour, will be dealt with expeditiously.

Mr. Alexander: A supplementary question, Mr. Speaker. I thank the minister for his answer but I think the question that still remains is this. Can the minister without any equivocation whatsoever indicate that these jobs will be saved one way or another?

Mr. Jamieson: Mr. Speaker, the hon. member knows that one cannot answer that kind of question in the way he suggests. All I can say is that the government—I have also had strong representations from members from the Hamilton area on this side of the House as well—will do everything we possibly can to ensure continuity and maintenance of employment.

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EXTERNAL AFFAIRS

CANADA-UNITED STATES DISCUSSIONS ON DELIMITATION OF CONTINENTAL SHELF—CANADIAN POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs. In view of the fact that the communiqué issued after the meeting in Ottawa on December 15 between Canadian and United States officials on the delimitation of the continental shelf in the Gulf of Maine area said only that there was a full and frank exchange of views and that talks would resume in the near future, would the acting minister shed a little light on this particular matter and give the House some indication of Canada's position at this point in time?

● (1150)

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, the government's position remains as it has been, namely, that the principle of equidistance should be applied to the delimitation of the continental shelf off the Gulf of Maine. This principle of equidistance was enunciated at the 1968 continental shelf convention to which both Canada and the United States are parties.

Mr. Forrestall: Mr. Speaker, could the acting minister indicate to the House whether or not the government believes at this point in time that this problem might be nearing resolution and, particularly, whether or not we are moving any closer to a settlement with regard to the claims in respect of the Straits of Juan de Fuca, the Alaskan Panhandle and the Beaufort Sea.

Mr. Sharp: These are all different problems. Whether or not this principle of equidistance would apply on the Pacific coast as well as the Atlantic coast is a different matter. We believe, in the circumstances, with the limitation in respect of Maine on the Atlantic, that equidistance is the proper principle, but on the Pacific coast there may be circumstances which would decide otherwise.

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INCOME TAX

REQUIREMENT THAT COMPANIES REPORT VALUE OF GIFTS TO EMPLOYEES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is directed to the Minister of National Revenue. Because the new policy of the Department of National Revenue is to force employers, who for many years have given their employees a Christmas turkey, to now report the dollar value of such turkeys as a taxable fringe benefit and show this amount on the employee's annual T-4 slip, and in light of the fact that for one company in my riding the tax that the department will collect from these factory workers will be $1.50 to $2 per turkey, may I ask the minister if he estimated the extra revenue that this Scrooge-like policy will produce and because I have been asked by one such company in my riding, namely Spinrite Yarns Ltd. to deliver today to the minister a box of humbugs, which I hasten to do, can the minister tell me if this company is obliged to report the value of this Christmas gift and is that value treated as taxable income in the hands of the minister.

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I must say I was surprised to find our officials had moved in to gobble up a few of these tax revenues. I think the hon. member should understand that Christmas gifts under a value of $25 are not taxable, except where the individual employer writes them off as an expense of the business. In this case, it would be the Canadian taxpayer not the employer who is making a gift of the turkeys.

[*Translation*]

PUBLIC WORKS

INQUIRY WHETHER MINISTER HAS MET PRESIDENT OF TREASURY BOARD RELATING TO REDUCTION OF BUDGET

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to direct my question to the Minister of Public Works.

Like all hon. members, last night I listened to the announcement that the Department of Public Works budget would be curtailed by $30 million. Does this mean the 1976-77 budget? If so, can the minister tell the House if the President of the Treasury Board and himself had discussions to determine what the priorities will be within the budget reductions? Also, will the minister respect the commitments he has agreed to in an official letter concerning the renovation of federal property, such as wharves, for example, and can we expect those renovations to be done as planned?

Hon. C. M. Drury (Minister of State for Science and Technology and Minister of Public Works): Mr. Speaker, I wish to advise that there were some rather friendly meetings between the President of the Treasury Board and myself. They resulted in the setting up of a new program aimed at the fulfilment of our engagements. The programs which are already being implemented will continue to be but works that we expected to begin may be postponed.

Mr. Lambert (Bellechasse): I thank the minister for answering in one of the two beautiful official languages of Parliament. I appreciate that very much.

According to his answer, do I have to conclude that the projects which have been developed and which are known to the minister will be achieved during the fiscal year 1976-77? It is very important for us to know the minister's position in that regard in order that we may give just and reasonable answers to those who are interested in these works.

Mr. Drury: Mr. Speaker, I think the hon. member will have to wait for the estimates in February next year.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED ILLEGAL PURCHASE OF EGGS—POSSIBILITY OF PROSECUTION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Solicitor General. Has the RCMP investigated, or is it currently investigating, the case of an egg processor in Montreal who is alleged by the officials of the Department of Agriculture to have bought surplus eggs, which should have been destined for the breaking industry, from the Canadian Egg Marketing Agency at between 20 cents and 25 cents a dozen and to have sold them to restaurants at around 60 cents a dozen and, if so, can he tell the House how many dozens of eggs are involved and whether it is anticipated that charges will be laid against any person in this case?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I do not discuss police investigations in the House of Commons.

Mr. Beatty: Mr. Speaker, may I ask the Solicitor General if, in fact, he is aware of any such case discovered by officials of the Department of Agriculture and if so whether any charges have been laid to date in the case.

Mr. Allmand: I can only repeat my previous answer, Mr. Speaker.

* * *

INDUSTRY

POTASH—POSSIBILITY C.F. INDUSTRIES OF CHICAGO REPLACING CANADIAN SOURCE OF SUPPLY—GOVERNMENT ACTION

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Is the minister aware of the steps being taken by C.F. Industries of Chicago to replace its Canadian sources of potash supply, amounting in total to 50 per cent of Canadian output, and if so what steps does the government propose to take to meet this serious situation.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I am aware of it perhaps for the same reason, but possibly not as extensively, as the hon. member. I did read the news story and did hear about it on the air. At the present moment, I have not investigated the matter as it came to light only today, but I will be glad to look into it.

* * *

PENITENTIARIES

GOVERNMENT MEASURES TO PREVENT ESCAPES—REQUEST FOR REPORT

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I have a question for the Solicitor General. Is he now in a position to reply to the questions I raised on November 25 and December 11 in respect of escapes from penal institutions.

Hon. Warren Allmand (Solicitor General): Well, Mr. Speaker, the answer to the hon. member involves a certain amount of detail. I recently wrote him a letter outlining the details. I do not know whether he has received the letter. I think the answer would take too long to give it at this time. There have been some escapes in the Fraser Valley, but considering the total number of escapes there has been a reduction in the last few years.

Mr. Patterson: Mr. Speaker, in view of the non-answers I have received up to the present on this matter, can I expect answers to these questions or is the minister's willingness to communicate information as inadequate as is his readiness to effectively deal with the inadequacies in the administration of the Canadian penitentiary service resulting from government policies.

Mr. Allmand: Mr. Speaker, my office has been in touch with the hon. member on several occasions. I have written to him giving the details. There are approximately five or six institutions in the Fraser Valley area. If the Speaker will allow me to give the details in respect of the escapes over the last few years from those institutions I would be pleased to do so.

* * *

ELDORADO NUCLEAR LIMITED

REQUEST FOR REPORT ON WASTE DISPOSAL PROGRAM

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources or in his absence his parliamentary secretary. Can he assure the House that Eldorado Nuclear Limited is not still disposing of radioactive waste in the town of Port Hope or in the immediate area and does he have a report from Atomic Energy Canada Limited on the waste management program carried on by Eldorado Nuclear Limited at Port Hope and if so will he make it available to the House.

● (1200)

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I can give the hon. member that assurance and say that the radioactive material which was dumped in Port Hope was from an old building which was demolished many years ago in the mid-1950s. The Atomic Energy Control Board is reviewing the situation and investigating it. Two actions have been taken to date: first, the St. Mary's school has been closed temporarily while a new ventilation system is being installed; second, the Atomic Energy Control Board and the Ontario Ministry of Health will carry out an extensive radiation survey in the community. A report is being prepared for the minister on the matter and we expect it to be released at the beginning of next week.

* * *

INDUSTRY

CANADAIR—DISPOSITION AFTER ACQUISITION BY GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Since the government has decided to exercise its option to purchase Canadair, may I ask the minister what disposition the government proposes to make of this company. Does it intend to operate it as a separate Crown corporation or amalgamate it with de Havilland, or, when it brings it into a viable economic situation, to dispose of it to someone else?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): I am not in a position to answer all these questions, but I can tell the hon. member that the closing date on the exercise of the option is January 5, and that various legal steps are now being taken. It is my intention to put in, for a brief period of two, three or four weeks, an interim board of directors to replace the present board, although there may be some members retained. In that period I will be making certain decisions with regard to the questions which the hon. member has raised, once I have had the opportunity to consult with the authorities in the aerospace industry and some of my colleagues as to whether there will be an amalgamation, whether we would continue to operate them separately, or various other permutations that are possible on those plans.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister whether this means that the government is acquiring Canadair without any clear cut policy as to how it is going to fit into the aviation industry in Canada, and will he undertake to make a statement in the House as soon as the government has reached a decision regarding this matter?

Mr. Jamieson: In answer to the first point, we have a clear cut plan. Obviously, it is to have Canadian control over the aerospace industry. My answers were on the rather narrow point of what would be the corporate structure which would be most advisable, and there are differences of opinion as to whether they should be retained as separate entities or amalgamated. But when the appropriate moment arises, I will be glad, either in the House or wherever is most appropriate, to indicate what our intentions are in this regard.

* * *

THE CANADIAN ECONOMY

SUGGESTED ADOPTION OF PROGRAM OF EXPANSION RATHER THAN RESTRAINT

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Prime Minister. In view of the fact that this may be one of the last opportunities I have before the Christmas season, and in view of the fact that the charade which has been going on for the last two months in Canada is pretty well exposed as being the wrong course for Canada, would the Prime Minister give serious consideration over the next three or four weeks to re-examining the whole course that the government is taking because I believe it is heading us toward a recession, and would he turn the whole program of the government around into one of expansion so as to give the government time to get at the basic cause of inflation, which this program is not doing?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I assure the hon. member that, although he seems to differ from some of the financial critics in his own party, his concern is one which is shared by this government. I would point out to him that when he suggests the need for expansion, the federal government has had expansionary budgets. It has one now, and the forecast which the Minister of Finance has been giving is one of a substantial budget deficit, which means an expansionary budget. Therefore, I thank the hon. member for his support. I take his warning seriously and will give consideration to the matters he suggests, but I suggest he might have some missionary work to do in his own party.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Have any officials or colleagues of the Prime Minister referred him to the speech I made on Bill C-73 outlining four or five points in attacking inflation? Has anyone referred this speech to him for his examination as a serious proposal of how we can get at inflation?

Mr. Trudeau: No, Mr. Speaker, but I thank the hon. member for drawing it to my attention. I will look at it.

ROUTINE PROCEEDINGS

[*English*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate concurs in the first and second amendments made by this House to Bill S-10, an act to amend the Feeds Act, but has amended the third amendment.

* * *

ADMINISTRATION OF JUSTICE

TABLING OF REPORT OF LAW REFORM COMMISSION ON EVIDENCE

Hon. Ron Basford (Minister of Justice): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table the report of the Law Reform Commission on evidence.

* * *

TRADE

TABLING OF REPORTS OF TEXTILE AND CLOTHING BOARD

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table two reports from the Textile and Clothing Board, in both official languages; the report on an inquiry respecting hosiery, including toe-socks, and the report on an inquiry respecting work gloves.

* * *

[*Translation*]

CRIMINAL CODE

AMENDMENT RESPECTING SPORTING EVENTS BETTING

Mr. Fernand E. Leblanc (Laurier) moved for leave to introduce Bill C-421, to amend the Criminal Code (sporting events betting).

Some hon. Members: Explain.

Mr. Leblanc (Laurier): Mr. Speaker, in fact this bill complements Bill C-419 which I introduced recently and which was passed on first reading on Friday, December 5.

Its prime objective is the same, namely to give the province of Quebec new sources of income to finance the Olympic Games deficit. The explanations already given also apply to this bill.

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

* * *

[*English*]

FORM REFORM ACT

MEASURE TO CONTROL GOVERNMENTAL FORMS

Mr. Ray Hnatyshyn (Saskatoon-Biggar) moved for leave to introduce Bill C-422, an act for the control of forms in the public service.

He said: Mr. Speaker, the introduction of this bill is appropriate today, in light of the government's announcement of its program of restraint last night. The purpose of this bill is to afford some degree of control over an even-growing variety of governmental forms. The bill applies to the multitude of governmental forms, questionnaires and the like, inflicted upon the citizens of our country, and also to internal documents. To the very substantial number of average Canadians affected by the bill, this is my small way of saying "Have a merry Christmas and a happy New Year".

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

* * *

[*Translation*]

SENATE AND HOUSE OF COMMONS ACT AND SUPPLEMENTARY RETIREMENT BENEFITS ACT

MEASURES RESPECTING CERTAIN PAYMENTS THEREUNDER

Hon. Jean Chrétien (President of the Treasury Board) moved for leave to introduce Bill C-81, to amend the Senate and House of Commons Act and the Supplementary Retirement Benefits Act with respect to the escalation of certain payments thereunder.

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, I do not want to hold up the business of the House with a procedural argument today, but I think that perhaps we might proceed with this bill on the basis of its being without any prejudice to raising the procedural argument when we return after the Christmas recess. The doubt I will entertain, if I might briefly forewarn the Chair, when it comes to dealing with the procedural matter after the Christmas recess has to do with this particular matter having already been dealt with in a bill passed at this session of the House. Since I will be alleging that the matter has already been decided in this same session, the manner in which the government is proceeding now is rather doubtful.

● (1210)

If the Chair and the government goes along with my presenting a procedural argument after the recess, I will be referring to May's Parliamentary Practice, eighteenth edi-

tion, pages 362, 363, 364, 376, 378, 379, 480 and 481, as well as to the Interpretation Act.

Mr. Speaker: I think there are two reasons for deferring the point in that it concerns the repetition of a decision of this House. In any case, it may be that the argument which might be raised has been somewhat anticipated by the Chair. It may very well be that that argument is more relevant to second reading than it is to first reading. In any case, it would seem advantageous for all sides that the argument should be referred to at some time later than today. Therefore, with the concurrence of all hon. members, this proceeding will be a matter of forewarning and we will give the bill first reading today.

Is it the pleasure of the House that the minister shall have leave to introduce the bill?

Some hon. Members: Agreed.

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

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,895 (supplementary), 3,277, 3,345, 3,606 and 3,705.

[*Text*]

CERTIFICATE OF IDENTITY—STATISTICS 1960-1974

Question No. 1,895—**Mr. Rodriguez:** (Supplementary)

1. In each year 1960 to date, how many applications for certificates of Canadian identity were (a) received by the Passport Office (b) refused on security grounds or for reasons not disclosed to the applicant "for reasons of public interest"?

2. For the same years, how many such certificates were granted?

3. For the same years, how many applications for Canadian citizenship were (a) granted (b) rejected on security grounds or for reasons that were not disclosed to the applicant "for reasons of public interest"?

4. For the same years, how many individuals were (a) refused entry to Canada (b) deported on grounds for reasons of national security?

5. For the same years, how many individuals were served certificates designating them as risks to national security?

6. For the same years, how many applications for landed immigrant status were refused for reasons of national security?

7. For the same years, how many individuals seeking to enter Canada as refugees were refused entry for reasons of national security?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In so far as the Department of Manpower and Immigration is concerned, the following is the asnwer: 1, 2 and 3. See *Hansard* 199, Page 8883, November 5, 1975.

4. (a) In immigration legislation there is no way to refuse entry to a person seeking to come into Canada other than through the report—inquiry—order of deportation process. In cases where persons realize they will be subject to an inquiry and possible deportation they may be allowed, should they so request, to withdraw their application thereby obviating the stigma that is attached to such an order. Although such instances may be loosely referred to as refused entry this has no basis in law and statistics in such cases are not maintained. (b) Deported on grounds for reasons of national security: 1960, none; 1961, none; 1962, none; 1963, none; 1964, none; 1965, none; 1966, 2; 1967, none; 1968, none; 1969, none; 1970, none; 1971, none; 1972, 1; 1973, none; 1974, none.

5. In accordance with the provisions of Section 21 of the Immigration Appeal Board Act, the following are the number of Certificates prepared for the Immigration Appeal Board since its inception in 1966 concerning individuals considered to be risks to Canada's national security: 1966, none; 1967, none; 1968, 2; 1969, none; 1970, 4; 1971, 6; 1972, 5; 1973, 8; 1974, 4.

6. Statistics not maintained prior to 1967. 1967, 996; 1968, 471; 1969, 198; 1970, 314; 1971, 333; 1972, 141; 1973, 89; 1974, 217.

7. Statistics concerning refugees refused entry to Canada for reasons of national security are not maintained.

[Mr. Nielsen.]

DEPARTMENT OF PUBLIC WORKS EXPENDITURES—VILLENEUVE CONSTITUENCY

Question No. 3,277—**Mr. Caouette (Villeneuve):**

1. Has the Department of Public Works made any expenditures in the Constituency of Villeneuve and, if so, what are the amounts for (a) 1960 (b) 1965 (c) 1968 (d) 1970 (e) 1971 (f) 1972 (g) 1973 (h) 1974 (*i*) 1975?

2. For each of the projects carried out in the Constituency what is the (a) name (b) amount granted (c) year the project was initiated (d) year it was completed?

Hon. C. M. Drury (Minister of Public Works): In so far as the Department of Public Works is concerned: 1. Government of Canada policy requires that financial records be retained for a period of only six years. However, the scheduling for retirement and destruction of obsolete records frequently results in some of them being available for a little over the six-year period. In this instance, the available records will permit a reply in respect of a seven-year period, the details being as follows: (c) 1968-69, $72,393; (d) 1970-71, $135,529; (e) 1971-72, $143,615; (f) 1972-73, $324,967; (g) 1973-74, $123,007; (h) 1974-75, $82,926; (i) 1975-76 to September 30, 1975, $39,602.

2. Location and Description	Total Expenditure	Year Initiated	Year Completed
Cadillac—Improvements to the Post Office	$ 7,301	1971-72	1971-72
Cadillac and Chapais—Modifications to the heating system	5,990	1971-72	1971-72
Lac Castongier—Construction of a ramp	6,915	1972-73	1972-73
Lac Fiedmont—Construction of wharf	13,993	1968-69	1968-69
Lac Fiedmont—Construction of ramp	6,929	1972-73	1972-73
Lac Lamothe (Lamothe)—Repair to Breakwater	10,424	1973-74	1973-74
Lac Malartic—Construction of a Ramp	5,961	1968-69	1968-69

Location and Description	Total Expend-iture	Year Initiated	Year Completed
Lac Malartic (Héva Riv.)—wharf repairs	8,031	1973-74	1973-74
Lac Parent (Senneterre)—ramp repairs	7,351	1971-72	1972-73
Lac Preissac (Cadillac)—wharf repairs	5,810	1970-71	1970-71
Lac Quevillion—Construction of a wharf	20,781	1971-72	1972-73
Lac Tiblemont (Senneterre)—Renovations to wharf	15,564	1970-71	1970-71
Malartic—Replace windows	23,559	1970-71	1970-71
Malartic—Modifications to electrical system	15,318	1968-69	1968-69
Malartic—Repairs and air-conditioning	9,500	1970-71	1970-71
Riviere Bell (Senneterre)—wharf repairs	7,896	1972-73	1973-74
Senneterre—Modifications to Heating System	7,951	1971-72	1971-72
Val d'Or—Roofing	12,581	1971-72	1971-72
Val d'Or—Modifications and airconditioning	266,783	1969-70	1973-74

PUBLIC SERVICE—BASIS OF EMPLOYMENT

Question No. 3,345—**Mr. Coates:**

1. For the years 1975-76, how many persons employed by the Public Service are on (a) a full-time (b) a full-time but non-permanent (c) a part-time or seasonal basis?

2. In each case, what were the figures for (a) 1970-71 (b) 1971-72 (c) 1972-73 (d) 1974-75?

3. In each case and, for the same years, what was the total payment in salaries and wages?

Hon. Jean Chrétien (President of Treasury Board): 1. The information we have does not contain any data on temporary employees employed for less than 6 months. On June 30, 1975, the following were subject to the Public Service Employment Act: (a) 24,000 full-time permanent employees; (b) 16,814 full-time temporary (more than 6 months) employees; (c) 7,327 part-time or seasonal temporary (more than 6 months) employees.

2. According to the Public Service Commission Annual Report, the following were subject to the Public Service Employment Act: (a) On December 31, 1971: 197,260 full-time permanent employees; 10,533 full-time temporary (more than 6 months) employees; 8,695 part-time temporary (more than 6 months) or seasonal employees. (b) On December 31, 1972: 207,769 full-time permanent employees; 15,495 full-time temporary (more than 6 months) employees; 7,492 part-time temporary (more than 6 months) or seasonal employees. (c) On December 31, 1973: 222,550 full-time permanent employees; 15,944 full-time temporary (more than 6 months) employees; 6,808 part-time temporary (more than 6 months) or seasonal employees. (d) On December 31, 1974: 235,521 full-time permanent employees; 16,051 full-time temporary (more than 6 months) employees; 7,018 part-time temporary (more than 6 months) or seasonal employees.

3. It is not possible to give the total amounts paid in salaries and wages for these categories from 1971-1974.

Order Paper Questions

OYP—AMOUNT OF FUNDING TO CHAMPLAIN CONSTITUENCY

Question No. 3,606—**Mr. Matte:**

1. Since the inception of the Opportunities for Youth Programme, has money been allocated to the Constituency of Champlain and, if so, in what amount?

2. For each approved project in the Constituency, what is the (a) title (b) allocated sum (c) year of acceptance (d) name of the municipality concerned (e) number of jobs which have been created?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Statistics for the Opportunities for Youth Program prior to 1975 were not maintained on a constituency basis and thus the total amount of funding to the constituency since the inception of the Progam cannot be determined. Under the 1975 Program, however, a total of $116,912 was contracted to projects in Champlain.

2. (a), (b), (c), (d) et (e) See statement following. (This information is available for the 1975 OFY Program only.)

Insert Question 3606

1975 Project title	Amount of funding	Location	Number of Jobs Created
Inouk	$6,435	Pointe-Bleue	7
Projet Embellissement	5,940	Odanak	6
Indian Truths	6,875	Maniwaki	7
Native Cultural Activities	4,895	Winneway River	6
Animation Communautaire	4,190	Notre-Dame-du-Nord	6
Recherches autochtones	7,320	Montréal	5
Organisation de nouveaux endroits récréatifs	5,580	Obedjiwan	8
Bewkobewk	5,000	Weymontachie	8
Summer Fun	4,610	Caughnawaga	6
Inuit Project	7,447	Payne Bay	10
"WOW" (l'œuf)	13,794	Sag-Lac-Côte-Nord	9
Local Junior Power	12,705	Port-Nouveau-Québec	10
Meeting Place for the Young people	12,929	Wakeham Bay	9
Kiweatise	7,455	Village Pikogan	10
Build an office building	5,808	Inoucdjouac	6
Putjuna'75	5,929	Ivujivik	15

RE-ESTABLISHMENT OF SEPARATE DEPARTMENT OF FISHERIES

Question No. 3,705—**Mr. Forrestall:**

Is it the intention of the government to re-establish a separate Department of Fisheries and (a) if so, on what date (b) if not, for what reason?

Right Hon. P. E. Trudeau (Prime Minister): The office of Minister of Fisheries for Canada is provided for in the Department of the Environment Act, 1970 and it is not the intention of the Government to propose changes in this arrangement at the present time.

Business of the House

QUESTIONS PASSED AS ORDERS FOR RETURNS

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 3,605 and 3,645 could be made orders for return, these returns would be tabled immediately.

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

[*Text*]

LIP—AMOUNT OF FUNDING TO CHAMPLAIN CONSTITUENCY

Question No. 3,605—**Mr. Matte:**

1. Since the inception of the Local Initiatives Programme, has money been allocated to the Constituency of Champlain and, if so, in what amount?

2. For each approved project in the Constituency, what is the (a) title (b) allocated sum (c) year of acceptance (d) name of the municipality concerned (e) number of jobs which have been created?

Return tabled.

LIP—AMOUNT OF FUNDING TO GASPÉ CONSTITUENCY

Question No. 3,645—**Mr. Cyr:**

1. Since the inception of the Local Initiatives Programme, has money been allocated to the Constituency of Gaspé and, if so, in what amount?

2. For each approved project in the Constituency, what is the (a) title (b) allocated sum (c) year of acceptance (d) name of the municipality concerned (e) number of jobs which have been created?

Return tabled.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

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BUSINESS OF THE HOUSE

LEGISLATION TO BE DEALT WITH BEFORE CHRISTMAS RECESS

Mr. Baker (Grenville-Carleton): Mr. Speaker, perhaps at this juncture it might be advantageous if I asked the government House leader his intentions with respect to the business of the House today and perhaps somewhat into the future.

Mr. Sharp: Mr. Speaker, there have been discussions amongst the House leaders about the conclusion of the business before the House pending an adjournment motion being accepted. Perhaps I could begin by saying that the government will require, before the adjournment, the disposition of three bills which are now before the House: Bill C-69, Bill C-77 and Bill C-52. All these measures must come into effect before the end of the year. Therefore, this is the basis upon which we are planning.

Bill C-69 is now at report stage. I believe there is some hope that we might complete the report stage today. At any rate, I think we should be working in that direction. However, before calling Bill C-69, for one consideration alone apart from any other, that is, the desirability of getting as many bills as possible to the other place so that they can be disposed of before we adjourn, I am calling the report stage of Bill C-77 as the first order of business today. It may be there will be a disposition, also, to give third reading if the debate is not prolonged. I would then call Bill C-69. If we do complete report stage today on Bill C-69, there is, I hope, a unanimous disposition to sit tomorrow to complete all business. These are all very tentative plans at the moment, but I thought it would be useful to have these various possibilities before the House at this time.

Mr. Baker (Grenville-Carleton): In the event that the disposition to sit tomorrow is generally accepted, would it be the intention of the government to adopt Friday hours for tomorrow?

Mr. Sharp: Yes, Mr. Speaker. If, indeed, it does seem useful to meet tomorrow to avoid coming back next week, the motion I would put forward would be for Friday hours with the exception of private members' business.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the government House leader has reported faithfully on the discussions which have taken place. I suggest that if we were to have further discussions later, we could well work things out. That, of course, remains to be seen. My main reason for rising at this point, however, is to indicate to the House, as I think I should, that when Bill C-52 is called there is one major point of order I shall be raising with respect to some of the proposed report stage amendments.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, once again we are aware of the urgency, for the House to adopt as soon as possible a procedure establishing a schedule of its business for a whole year.

There are certain things I cannot understand, Mr. Speaker; I felt that all members agree with this suggestion, but nothing is done. There are certain things with which we totally disagree, and still the House takes actions. At least we should be informed in advance of the procedures used for the matters on which we have total agreement, and I think it is normal to wonder about the length of sessions and the adjournment dates to enable families to get together, particularly at Christmas. As far as I am concerned, Mr. Speaker, I have quite a large family and I would like to see them. It is the only opportunity I have during the year and I think it is the same with the others too.

Mr. Speaker, I therefore fully agree that we should sit tomorrow to avoid travelling uselessly. And if we can adjourn tomorrow night, I shall have the impression that I have contributed to give all my colleagues the opportunity to go back home and do things that are very personal during the days which precede Christmas. I dare say everybody understands.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT AND CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

AUTHORIZATION FOR CMHC TO MAKE INTEREST REDUCTION GRANTS, CASH GRANTS, ETC., TO ENCOURAGE HOUSE CONSTRUCTION

The House proceeded to the consideration of Bill C-77, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. John Gilbert (Broadview) moved:

That Bill C-77, an act to amend the National Housing Act and the Central Mortgage and Housing Corporation Act, be amended in clause 1 by striking out lines 4 to 6 at page 2 and substituting the following therefor:

"(a) the rentals to be charged by the owner of the rental housing project shall be established by the corporation and that in so establishing and reviewing such rentals the corporation shall have regard for the probable family income of the lessees of each family housing unit;"

● (1220)

He said: Mr. Speaker, the amendment I have moved on behalf of our party is very important and crucial in order to help solve the serious housing crisis we have in Canada today. I am sure all of us would agree that the serious housing problem is really in three areas: supply, interest rates, and price. The solution the minister has adopted with regard to these problems is through the Assisted Home Ownership Program by the use of subsidies. He hopes to solve the problems of high interest rates and price by giving subsidies to a certain group in the country so that they may be better able to buy homes. May I point out to the minister and to members of the House that the subsidy approach to AHOP will not solve the serious housing problems we have today; it will not solve the problem of supply, interest rates or price, and in fact will be of very little significance with regard to these three main problems.

The reason it will not help the problem of supply is that the land is in the control of the builders and developers who may release it at at a time appropriate to them when they can make the highest possible profit. With respect to interest rates, the minister and the president of CMHC have told us that there will be no decline in interest rates in 1976. Probably the prevailing rate of 12 per cent will apply through 1976 and will afford no protection or help to people who buy homes. With regard to price, we have seen a significant increase in the price of homes right across the country. In the city of Toronto the average retail price of a home is now $69,600, and the average price across the country has increased from approximately $41,000 to $45,000.

We do not believe that the subsidy approach to AHOP will solve the difficult problems we have. In fact, if you look at the housing situation in Ontario and consider the $500 first home owner grant that the minister provided up to the end of October to assist purchasers, and the $1,500 grant given by the government of Ontario to stimulate house purchases, you will find in any serious study that the total grant of $2,000 just increases the price of homes in Ontario by that amount. The best evidence we have is the limits the minister released as proposed under the AHOP program. This year, in Toronto, the rate was $43,000. The new rate that the minister proposes is $47,000, an increase of 9 per cent. I could go across the country using the minister's table to show that the price with regard to AHOP purchases must be increased so that the program can be of advantage. In Montreal, the price has to be increased from $29,000 to $31,500. In Ottawa-Hull, the price has to be increased from $35,000 to $38,000. In Winnipeg, from $33,000 to $35,600; in Lethbridge from $28,000 to $31,000; in Prince George, from $37,000 to $39,000; and in Yellowknife, from $39,500 to $43,500.

In other words, for the minister to make the AHOP program work under his subsidies, the price limits have to be raised in various regions across the country. I do not think that proposal attacks the high prices that we have. We in the New Democratic Party say that the problem of housing has to be attacked in three main areas. First, with regard to the cost of land; second, with regard to high interest rates; and third, an increase in public housing. We see no evidence that the minister is acting to bring down the high cost of land. In fact, if anything, the price of land will increase in the coming year. I have already said that the prevailing interest rate of 12 per cent will obtain during 1976. If you were to follow HUDAC, the interest rate would go to 12¾ per cent or 13 per cent, which would afford no help to the average person.

I have said that the third objective is to increase public housing. The minister has travelled through Europe and has seen the great strides they have made in public housing. I have done the same. In the early part of this year I was in Sweden. I spoke to the chief government architect, who told me of the serious problem they had and the approach they took. That was to tremendously increase public housing, and they now have sufficient. I saw some buildings with three and four vacant apartments, which contrasts to the low vacancy rate we have across this country. I am sure the parliamentary secretary and the minister will agree that the vacancy rate is 1.2 per cent, so this is a very serious problem.

This indicates the necessity of increasing the amount of public housing. I have pointed out to the minister that in the CMHC budget of 1972 the allocation to public housing was 37.3 per cent, and in 1974 it dropped to 19.2 per cent. This indicates that the minister had downgraded public housing in the total housing picture. He has promised me that there will be a significant increase in the 1976-77 budget for CMHC. Mr. Speaker, I have no faith in this government increasing the allocation with regard to public housing. After hearing the speech on restraint last night that put the burden on the ordinary and poor people in this country, I am sure that when the Minister of State for Urban Affairs (Mr. Danson) presents his budget to the government they will apply the same type of restraint which they indicated last night and there will be very little change in the moneys allocated to public housing.

This is why we in the New Democratic Party want action with regard to public housing. This is why we have brought forward this amendment to help people in respect

of public housing. I should like to read the amendment, Mr. Speaker, and indicate the essential part of it. It reads:

(a) the rentals to be charged by the owner of the rental housing project shall be established by the corporation and that in so establishing and reviewing such rentals the corporation shall have regard for the probable family income of the lessees of each family housing unit.

With regard to the minister's approach on private limited dividend housing, he has made a major shift in philosophy. Prior to Bill C-77, the formula for rents of private limited dividend housing took into account the family income of the tenants. The minister has now completely abandoned that principle and has left it to the developer and builder to determine; he has completely ignored the family income of the tenants. The minister and CMHC have had a particular experience with regard to determining rents in public housing projects and public limited dividend projects. It is the government that determines the rents. Two factors determine rents in such projects: cost and, more importantly, the tenant's family income. It is possible, by using this method, to work out a tenant's rent quickly and efficiently.

● (1230)

What has the minister done, Mr. Speaker? He has abandoned this approach to private limited dividend housing and will depend on the builder to determine rents. He is telling the builder, in so many words, to ignore totally the family income of tenants in a project, saying that the cost to the builder shall determine rent and family income is to be ignored. I cannot understand why the minister took this approach. I suppose he feels he must do it to stimulate private limited dividend housing. But should this be done by giving builders and developers subsidies and letting them determine rents on the basis of cost?

This is a tremendous price to pay for increasing the number of housing units in this country. We ought to build public limited dividend housing with controls vested in CMHC. The corporation should determine rents on the basis of cost and family income. Our amendment, if passed, would do just that. I hope that the minister, in the spirit of Christmas generosity—

Mr. Broadbent: No hope.

Mr. Gilbert: —will admit that his approach is mistaken. I hope he will say to builders and developers, "Our approach in this field is to be the same as the approach we took in the field of public housing, and in computing rents you must consider costs and the tenant's family income." As it is, the minister is being generous to builders. Unit subsidies have been increased from $900 to $1,200. The time-span on agreements has been limited. I believe Bill C-77 mentions 15-year agreements, but the minister said in committee that on average they will run for ten years. Some limited dividend builders have been helped with 8 per cent mortgages and other means.

The minister has been generous to builders but apparently has ignored the needs of tenants. He met tenant association representatives in Toronto, assured them he will consider their difficulties and examine the kinds of rent increases owners are imposing on private limited dividend units, but so far he has not acted. You can say one thing about the minister: he is kind-hearted.

[Mr. Gilbert.]

Some hon. Members: Hear, hear!

Mr. Gilbert: But kindness alone is not enough. The minister must acquire, and use, a certain toughness when dealing with builders and developers. That is the advice the NDP gives the minister.

Mr. Orlikow: He will not listen.

Mr. Gilbert: If he yields to the builders and developers, costs will remain high, homes expensive, interest rates high and Canadians, especially the young, will be saddled with $40,000 or $50,000 mortgages repayable in 25 or 35 years at $400 or $500 a month. I do not think for a moment the minister wants this situation to continue.

I ask the minister to treat private limited dividend housing as he treats public housing. His approach to both types of housing should be the same. If it is, he can expect the support of the people of this country and the co-operation of tenants in his efforts to solve our serious rental difficulties. The minister asked provincial ministers of housing to impose rent controls and, by and large, most provinces complied. If the minister opposes our amendment and allows the bill to pass as printed, the owners of private limited dividend housing will determine rent on the basis of cost. You can be sure that rents will go sky high.

In addition, the rents of such new units to be built will not come under provincial rent controls. That is why we brought forward this amendment. We suggest that the minister should, for the sake of fairness, uniformity and consistency in the field of limited dividend rental housing, allow Central Mortgage and Housing Corporation to exercise control and use cost and family income as factors in determining rents. I hope members of this House, especially members from Toronto, will support this amendment.

Mr. Broadbent: Especially the Minister of Finance (Mr. Macdonald).

Mr. Gilbert: Yes. The minister represents a constituency suffering a serious housing shortage. Probably there are more public rental units in his constituency than in any other constituency in Toronto. I hope the Minister of State for Urban Affairs will persuade the Minister of Finance to lend support to our efforts to end the rip-off by builders and developers of low income people. I ask all hon. members to support the amendment.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I was interested in the remarks of the hon. member for Broadview (Mr. Gilbert). I think he knows that our budget will provide for much increased public housing, non-profit housing and co-operative housing this year as a result of the private assisted rental program. I was rather hoping that builders were listening to his speech because he made the program sound so good that it would encourage more builders to rush into the scheme instead of building apartments. I know the hon. member raised this matter in committee; we discussed it in committee because it concerns us all.

The object of the bill is to get more low rental accommodation on the market. The test involves the rental agreement with CMHC and the developers which is entered into to make certain rents are kept down. In this way, people

with limited income can be assisted. I point out that the income test remains separate from the agreement. Indeed, the program is to be implemented on a regional and municipal basis, and we hope that municipalities will especially designate a number of these units for public housing tenants who may live in the projects and take advantage of subsidies which we share with our provincial partners. I am referring to rental supplements which will assist these people. We did not want to continue a type of ghettoization which is not attractive. At the same time, we want to encourage construction which will bring low rental accommodation onto the market. The test, of course, is the agreement whereby rents will be kept low.

If there is a further social need we will, of course, look after it with various programs which have been, and will be, increased in all provinces. We do not intend to slow construction; indeed, we want to accelerate construction of low rental accommodation. That is the object of the bill and that is why, I am afraid, we must oppose the hon. member's amendment although we realize his deep concern.

● (1240)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to add only a few remarks on the amendment before us. I consider it very commendable in itself because it is aimed at protecting the rights of heads of families to housing at a price in line with the family income.

However, I would like to add that there are two considerations to keep in mind when it comes to housing. Of course, it would be desirable that each head of family in this country own his house. In the present economic context I consider it is less and less possible for a number of heads of families to reach that objective.

In the circumstances it is perfectly normal that some owners build housing units and rent them to make a certain profit. I witnessed unfortunate situations sometimes where tenants have no respect for the property in which they live—but I suppose those are exceptions. When those people neglect to take normal care of the property it deteriorates and that necessitates costly repairs by the owner which brings him to ask for higher rents.

I think there is a whole education to be done in that respect in this country and I am convinced that there are still possibilities of an agreement between owners and tenants, that they do not look upon one another as opponents but, on the contrary, as people living in a common environment and both doing their best to earn an honest living.

I think that the proposed amendment is intended more particularly to protect the tenant against certain abuses that may have occured in the past, that may reoccur in the future. The amendment suggests precisely that the lending institution be there as a judge to safeguard the rights of the tenant with respect to the rent being related to the family income.

Mr. Speaker, with the restrictions that were announced yesterday by the head of the government I think we are going to witness situations and difficulties with respect to housing, relationships between owners and tenants. I fear a lot a deterioration of the situation in that regard. However, I think that the minister understood the merits of the amendment. My suggestion is to follow very closely the recommendations and the actions of the corporation's officials concerning the rights of occupants, without neglecting the rights of the owners.

I submit the minister has very heavy responsibilities because he must, so to speak, compromise between those who have to live in rental accommodation and those who own the building and must make it a healthy and acceptable environment in our present society, while deriving certain profits from it.

I believe one of the major factors for the serious owner tenant problems is the tremendous cost builders are facing, the excessive interest rates. That pervasive factor also has an impact on inflation. Mr. Speaker, we have been making this point a number of times in this House because we believe this is a most serious matter. I hope some day the Minister of State for Urban Affairs (Mr. Danson) and his cabinet colleagues will introduce some legislation that will put a stop to ever rising interest rates, so that the government and private projects may cost less. This would tend to improve the current social environment.

Although I would have a lot to say on this, I have no wish to make extended remarks because this legislation must pass as soon as possible. However, we must act within reason.

As far as I am concerned, I am therefore inclined to support the amendment although it should include a provision to protect the rights of owners.

But anyway, it must be accepted as it is, and I am ready to support it.

[*English*]

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it being ten minutes to one o'clock, and it being known that there are a number of members involved in luncheon

engagements, and so on, I wonder if the House would agree to defer the taking of this vote and have it taken at the same time that we take the deferred votes with regard to Bill C-69.

[*Translation*]

Mr. Boulanger: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Mercier (Mr. Boulanger) on a point of order.

Mr. Boulanger: I believe the hon. member for Winnipeg North Centre (Mr. Knowles) should be more explicit. The point or order is that the vote should be taken at the same time as some other vote. At what time? This was not absolutely clear.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I deliberately refrained from specifying a time because that might produce an argument. I thought there could be consultation through the usual channels to decide when to call in the members. There are already two deferred votes with regard to Bill C-69. There might be another. If we refrained from taking this recorded vote now, I think we could come to an agreement to take all of them at the same time.

Mr. Deputy Speaker: If I understand correctly, the taking of this vote will be deferred until the deferred votes on the motions related to Bill C-69 are taken later this day or tomorrow. Is this agreed?

Some hon. Members: Agreed.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am a little bit concerned about the indefiniteness. May I ask through you, Mr. Speaker, whether the hon. member for Winnipeg North Centre (Mr. Knowles) is able to say whether we should do it at the time suggested by Your Honour in your last remarks or, in any event, no later than three o'clock this afternoon? Is that agreeable?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if the House agrees to that, we will agree.

Mr. Guay (St. Boniface): Mr. Speaker, we agree to doing this exactly as suggested by the hon. member for Grenville-Carleton (Mr. Baker).

Mr. Deputy Speaker: Is it finally agreed that the vote on the motion of the hon. member for Broadview (Mr. Gilbert) on Bill C-77 stands deferred until the vote is taken on the report stage, the deferred votes on motions to Bill C-69, but no later than three o'clock this afternoon?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am sure this meets the wishes of all of us. I merely suggest that if we are still debating Bill C-69 at the point when the members are called in, we take all the recorded votes that have been deferred up to that time.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Deputy Speaker: It is so ordered.

Some hon. Members: One o'clock.

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

At 12.52 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed, from Thursday, December 18, consideration of Bill C-69, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, before we were interrupted last night for the evening performance which has since been variously described as a "con game" or a "shell game", I was dealing with the clause in the Unemployment Insurance Act amendments having to do with alteration of the bench mark. I would be happier to accept the arguments put forward by government spokesmen in this connection if the government had made certain changes in the act designed to make it more truly an insurance plan.

I should like to put on record the results of an analysis showing how payments were disbursed in 1974. It really turns out to be a gigantic transfer system from one part of the country to another. Benefit payouts in 1974 amounted to approximately $2,100 million—if costs of administration are added, the total figure comes to approximately $2,300 million. Approximately $1,600 million was raised by employee-employer deductions, leaving some $700 million to be drawn from the federal treasury. This works out, on the basis of an even tax adjustment, to approximately $30 million for every million people.

Some comparisons showing the extent to which each province benefited are interesting. Newfoundland contributed something like $50 million in employee-employer premiums, and received $114 million in benefit payments to its unemployed. New Brunswick paid approximately $55 million, and received $105 million by way of benefits. Quebec's share amounted to approximately $580 million in payments, while its citizens received $740 million in benefits. Ontario costs to employers and employees are estimated at $900 million; its citizens received $600 million in benefit pay-outs. Relative to their population, the three prairie provinces fared the worst. Manitoba contributed approximately $100 million, and received $50 million in return; Saskatchewan contributed something like $70 million, and received $46 million or so in return; Alberta fared the worst per population, contributing somewhere in the neighbourhood of $170 million and receiving $66 million. I estimate that in British Columbia the amounts paid and the amounts received were approximately the same.

An interesting article appeared in the *Globe and Mail* of December 11 under the heading "Regional unemployment disparities remain at surprisingly constant levels". This study, by Arthur Donner and Fred Lazar, showed that unemployment figures in the various parts of Canada have varied remarkably little over the years, unemployment being persistently low on the prairies and high in the Atlantic provinces. The authors ascribe this state of affairs to two main reasons. The first is that in Quebec and the maritime region there is a high rate of job transfer. They suggest that if regional job turnover differences were eliminated, the unemployment rates in the three high unemployment regions would be relatively lower, ranging anywhere from zero to 20 per cent above Ontario's rate. Further according to the authors of this article it is probable that the highly seasonal nature of employment and job opportunities in the three areas of high unemployment are the cause of this situation.

In my view, this calls attention to a weakness in the plan. A seasonal worker employed for 20 weeks of the year is often as well off financially as one who works for 50 weeks of the year. The present unemployment insurance system is deficient inasmuch as it fails to take into account a worker's total earnings for the year. It also fails to take account of the situation in the prairie provinces, for example, where large numbers of the population are self-employed and contribute heavily to the fund through the general tax structure without the possibility of benefiting directly since self-employed people cannot claim unemployment insurance.

The survey may also indicate that administrators in rural communities are able to keep off the rolls many would-be recipients by strict use of the regulations. Indeed, it might fairly be said that many workers in rural areas have little chance of drawing benefits under the regulations the commission is presently following. The people affected are very often casual workers. These people are usually in the lower income brackets, working at jobs which, by and large, others do not want—for example, the farm housewife who goes to cook at logging or construction camps. She would be ruled out under the residence rule. She must pay unemployment insurance but has little or no chance of ever obtaining benefits; and, of course, she must contribute to the general tax structure.

● (1410)

I also ask whether the enormous transfer of funds from one area of the country to another to maintain the unemployed is the best method of using our money power. Certainly, if a worker lives in a high unemployment area he is likely to be able to obtain, if he wishes, enough money from short-time work to tide him over the year. It is not hard to obtain work at the average weekly wage in various parts of the country at some time of the year, even if a person has to move out of his home area. For workers who wish to take advantage of this, it seems that there are many built-in disadvantages to moving from an area of relatively high unemployment to an area where the work would be less seasonal and steadier.

The introduction of increased employee-employer deductions, with the raising of the benchmark, might be an improvement if true insurance principles were followed. But these few amendments to the Unemployment Insurance Act are not likely to be very effective. I suggest that we have to take a look at the eight to 16 weeks' employment provision and at whether it is not too generous. If a person is only able to work eight weeks a year, surely he needs assistance other than unemployment insurance. There must be some serious impediment to his finding a job.

In addition, there should be more supervision of seasonal workers in the sense that some effort is made to assess their total working hours and income. It is well known that many companies carry the so-called black book, whereby workers can bank hours and these are taken up when they are laid off in the wintertime. More recognition must also be given the lower paid workers who contribute to unemployment insurance week in and week out and who are never unemployed, so therefore never make use of the system. They still pay their premiums and taxes. Many of these people harbour a great feeling of disillusionment because they feel they are victims of the system. I think the system would be more acceptable and workable if those who are unemployed were given either a bonus or paid lower premiums.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I debated with myself whether I should say anything on this particular amendment before the House, but after listening to the announcements made yesterday and last night I decided it was only appropriate that I make a few remarks. There are two matters that occurred to me arising from the events of yesterday, and they have direct relevance to the bill before the House. I am glad this bill has been examined as thoroughly as it has for the last five days, which permitted the announcements of last night and yesterday afternoon to be made. It tends to put things into proper perspective as far as the members of this party and many people in the country are concerned. This is why I am glad the bill is under scrutiny at this moment.

The two events that occurred yesterday rather intrigued me. The first was the announcement in the afternoon of the surtax by the Minister of Finance (Mr. Macdonald). One of the fascinating things about the announcement was that for a person earning $35,000 a year with two children, the surtax would amount to $10. That is the kind of restraint I like to see. I really enjoy it because it is an illustration of the problem we are facing. Then we had the announcement last night.

I should like to say something about the comments that floated across the House in regard to this clause. We were told by the hon. member for Hamilton West (Mr. Alexander) that we have to remove the disincentives from the Unemployment Insurance Act, and perhaps, in effect, this is what the minister has done. But I am always amazed at this business of disincentives and incentives. Why is it that we can take $10 surtax from someone earning $35,000 a year, but cannot take more because we do not want to kill his incentive to work, whereas when you give a hand-out to the poor people it is called a disincentive to work. I do not understand that sort of concept.

Mr. Anderson: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Comox-Alberni (Mr. Anderson) is rising on a point of order.

Mr. Anderson: Mr. Speaker, it is bad enough that we have to listen to nonsense when he is speaking on a bill, but when the hon. member has strayed 100 per cent from it, I think the House is entitled to get back to the bill.

Mr. Rodriguez: If the hon. member for Comox-Alberni (Mr. Anderson) would give as much time to making a speech on the bill, we in the House would appreciate it. Clause 22, which we are trying to amend, changes the benchmark beyond which the government will pick up any deficits in the unemployment insurance fund. We refuse to accept this clause as being relevant at this time. When the act was brought into being in 1971, the benchmark was set at 4 per cent. At that time the minister's predecessor argued that the benchmark ought to be 4 per cent because that was a high enough rate of unemployment and would always act as an incentive to the government to keep the unemployment rate down. That sounded like a very plausible argument at the time, that it was an incentive for the government to keep unemployment below 4 per cent. Now we are to have a disincentive.

Obviously, that figure has not incited the government to do anything to bring down unemployment. How callous is a government that sets out to fight inflation by creating unemployment, by telling the people of Canada that the government would like to keep the unemployment rate below 4 per cent in order to keep the rate down? It did not work then, so the government is proposing to change the benchmark to the average of the previous eight years' unemployment rate. In January, 1976 this will mean an effective rate of 5.6 per cent. If the present rate of unemployment goes up, by 1977 it will be 6 per cent.

What, exactly, is the government doing? It is escaping responsibility that it ought to face. It is redefining unemployment. Each time the government had to go to general revenue for money, it held up its policies to examination by the taxpayers of Canada. It will now escape this responsibility. Nothing the government has done since 1971 indicates to us that it is prepared to come to grips with unemployment. In the committee we were told that 894,000 people collect unemployment insurance. That is a scandalous record for a government which from 1968 to the present time has enjoyed a majority. It just answers for the mistakes it has made and its faulty decisions in running this country. Now it wants to redefine the whole issue of unemployment and therefore escape its responsibility. That is the primary reason we are opposing this.

● (1420)

By redefining the rate of unemployment, the government, in effect, is saying that the employers and employees will have to pick up what normally the government would have paid out of the general revenue of this country which was collected on a progressive income tax basis. The present system, of course, is nothing but a regressive form of taxation. It means that those who are working and the small employers will have to pick up the deficit in the fund. In effect, the government is making these people pay for its mistakes and its bad policies of the past. Who are the people who will have to pay? As you may know, Mr. Speaker, the Unemployment Insurance Commission only insures up to a maximum of $8,500. So in effect because most of the working people in this country earn below that figure they are the ones who will pick up the bulk of the deficit which the government is shifting to their shoulders.

I mentioned earlier the restraint being shown by this government and how it has chosen to fight inflation. We have been told by the government that it has chosen to fight inflation, and we have been given examples. The first example is how tough it intends to be with the high income earners, the $35,000-a year boys. Then we were told about the elimination of the dependency rate in this act. Then there is the matter of family allowances. Last night we heard what they are doing about that. The government is removing the indexing of family allowances. So, while they are patting themselves on the back for having improved the social programs, on the other hand another minister says that they have been too generous and therefore this will have to be cut off because of the fact the programs have been improved. This is the kind of double-talk that creates cynicism among the workers of the country. The policy of the government seems to be that it must make an example of the working people and carry on the fight on their backs. The move to change the benchmark is another example.

Let us look at another example of how we are to fight inflation in this House. We are told that members of parliament will not have an increase in wages, but that does not include the tax-free allowance. It might have been better had this applied to the tax-free allowance because the government would have received 40 per cent from that. This "now you see it, now you don't" policy amounts to nothing more than an attempt to fight inflation on the backs of the poor people by telling them that they must economize in the cause of the fight against inflation while at the same time the government makes no attempt to improve its policies. There is no attempt to establish a full employment policy. While the government to the south is considering a full employment policy, this government does not try to come to grips with it.

We are told we must produce more, as if we do not have the capability to produce more. We are operating on only 80 per cent or 82 per cent of our productive capacity. We have 18 per cent of our productive capacity lying idle in terms of 700,000 people unemployed. Surely, with the expertise and experience the government has, it should not be too difficult for it to improve productivity in this country and bring down inflation. The government, however, will not do that. That is not its purpose.

We in this party are not the only ones who oppose the change in the benchmark. The Canadian Labour Congress has opposed the increase in the benchmark for a very good reason. Again, it is the low income earners who will bear the burden. The result of the increase in the premiums will be something in the order of 35 per cent to 40 per cent. These increases will be borne by the bulk of the working class people in this country who earn $8,500. Those who have incomes above that, those earning $20,000, $30,000, and so on, will get away with the maximum which will be the same as anyone with an income of $8,500 will have to pay in respect of unemployment insurance premiums. This is very unfair. There is nothing progressive about it.

At least under the old system we could hold the government accountable for the hundreds of millions of dollars transferred from general revenue to the unemployment

insurance fund to make up the deficit. Even the progressive items in this bill are not to become effective immediately. They will become effective somewhere in the future. Even those things which are advantageous to the working class people will become a reality on January 1, 1976, but this regressive clause is to become effective on January 1, 1976. If I had my way, we would remain here until January 1, 1976, in order to prevent this clause going through, because it is not fair when we consider the actions of the government over the past and in the last few days in respect of justice concerning any programs.

We on this side of the House in this party, as I have said, are not the only ones who oppose the change in the benchmark. I pointed out that the Canadian Labour Congress opposes it because it is a hidden tax which increases the premiums of the working people between 35 per cent and 40 per cent, while the wealthy get away with a 10 per cent surtax. This is a travesty of justice. The Canadian Council on Social Development also opposes this. That council is much closer to the problems of the working poor than is anyone in this House.

This government has not attempted to do anything about the elimination of regional disparity in this country, the same disparity the Prime Minister (Mr. Trudeau) referred to in 1968 when he said there were two things the government would do. The Prime Minister said that the government would create national unity and would eliminate regional disparities. We are no closer to national unity, and nothing has been done about regional disparity. In my area the unemployment rate is 10 per cent. In the riding to the west, Algoma, it is 20 per cent. We have not seen any policy that is directed toward creating more employment in areas such as northern Ontario, the Atlantic provinces and the northern parts of some of the other provinces.

It is interesting to note that all the government can do is throw out terminal programs such as LIP and OFY at the first signs of trouble. The first programs they cut are LIP and OFY, so everyone pats them on the back and they say they always knew the programs were a rip-off.

● (1430)

Here we see a direct attempt to distract the attention of the Canadian people from the real problem, which is, of course, that this government has not attempted to establish any program to create employment. That is why we have such a drain on unemployment insurance. We have said the contrary, that the Unemployment Insurance Act has been an incentive for persons to improve their status in the work force. It has given them flexibility and mobility and it has been a way of making employers improve the working conditions in their plants. It has forced them to improve wage rates and it has been an incentive, in many instances, to improve working conditions and the rate of pay in this country.

What do we find the minister is doing in this bill? We say it is a regressive move because, as I have said before, it avoids facing the issue fairly and squarely. Every year the unemployment rate will be redefined and they will shift more and more of the cost on to the working poor. That is dishonest. At least the other way around they have to come to the committee studying the estimates and justify why they are transferring so many hundreds of millions of dollars. That way they are put under the scrutiny of the public, of the press and of members of parliament. They could not stand the heat of that kind of scrutiny, so they cooked up this little scheme, probably hatched by their nabobs to get them off the hook, off the griddle. All they have to do is, poof, one amendment, thus redefining the whole issue of what full employment is in this country. But they cannot do that. The problem will not go away. You have to have a pretty big rug to hide things under.

The fact of the matter is that certainly the economy will suffer when there are over 894,000 people unemployed and 700,000 of them collecting unemployment insurance. To me one of the greatest travesties that this House has seen in a long time is to have so many people living off the unemployment insurance fund. To accuse people of ripping off unemployment insurance is to avoid facing the facts. The fact of the matter is that they have embarked on a program which will only exacerbate unemployment in this country rather than create employment.

It seems to me that we have said the poor will be picking up the cost. Certainly the working poor will be picking up the cost, but the poor have no way of passing on that cost because now, with the Anti-Inflation Board in place, a worker is limited with respect to the percentage increase he can have. The employer, on the other hand, if his premiums are increased as a result of a clause in this bill, has a way of getting it back. He can increase the cost of his product. Of course, the Anti-Inflation Board gives him the possibility to do that because it permits the pass-through cost, so he can increase the cost of his product and of course he will. Any entrepreneur will do that. That is why we say that the workers are locked in. They have a government which is prepared to block them from passing on their expenses, but on the other hand employers are quite free to pass on any increased cost to the customers, to the consumers and to the workers. We oppose this clause. We consider it to be retrograde.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Arnold Peters (Timiskaming): Mr. Speaker—

Some hon. Members: Question.

An hon. Member: What is the question?

Mr. Peters: That is the question. This clause of the bill is very important. It takes me back a number of years to the time when we previously discussed the Unemployment Insurance Act and the attitude of the Liberal party regarding their contribution as a government to unemployment. I can remember sitting on a committee together with the Hon. Paul Martin who kept insisting that the Liberal government of the day had always provided money when unemployment became the responsibility of the government.

At that time, the Conservatives were in government and they were resisting the idea of the government putting any money into unemployment insurance. It is interesting to note that the Conservative party continues to feel that way, and so do the Liberal party members, who have always said they were willing to make a contribution when unemployment rose above the normal insurable level.

When the Hon. Paul Martin made clear the stand of his party with regard to unemployment, he said he would go to his office and come back with the exact information. On his return, he informed us about the contribution that had been made by his party on two occasions. We learned it amounted to less than $400,000. If you remember, the talk at that time was that we were heading into a major recession in 1959-1961, but yet that was the contribution which he indicated had been in keeping with the Liberal party's philosophy.

I am of the opinion that the workers of this country can only be guaranteed an insurance program up to a point. I want to note that the exercise we were put through yesterday on the matter of constraints was not at the request of the workers of this country, but because the government wants to handle a totally different problem. In doing that, they will find there will be a fall-out, no matter how big or small it is, which will result in unemployment in this country. When the government takes action which results in unemployment, the worker cannot be guaranteed an insurance against that type of unemployment.

Initially, when we spoke about the level at which the government should put in some money to cover the action they are taking, we spoke about 2 per cent as being the normally expected unemployment rate. The next time the Unemployment Insurance Act was before us, 4 per cent was considered as the normal unemployment rate. Now they have got it up to 5.6 per cent. I suggest that if we look ahead another ten years we might find a 10 per cent, 11 per cent or 12 per cent unemployment rate considered as normal. If that is to be the normal rate, then it seems to me that the workers might as well stop making any attempt to obtain an insurance program against unemployment.

There will come a time, if it has not already arrived, when the workers will not be able to pay the premium and we will find ourselves in exactly the same position as the farmers who are asked to pay insurance to protect themselves against loss of income, crops or against other disasters. They have arrived at a point at which it is not to their advantage to pay the premium because it is too high and because the return will be too small on it. For the working people to insure themselves against unemployment, which we consider to be normally 5 per cent, is a heavy load to be carrying because it applies in the main to people who are making less than $8,500 a year. They will take advantage of it, and they are paying too high a price in the middle.

● (1440)

Surely everyone agrees that if the government takes action which results in producing unemployment, the government should be responsible. We should be responsible collectively. We cannot expect the worker to make the premium payments when we are proposing, in effect, a solution to another problem altogether. That does not seem to be the kind of insurance workers should be asked to carry.

I am sure some hon. members will say that the worker is not being asked to carry it all; part of the cost is being paid by the employer. Anyone who says that knows nothing about the negotiations which take place between an employer and his employee. When an employee talks to his boss about wages, the whole cost factor of his labour is taken into consideration. If he does not benefit in one way, he may benefit in another. However, if an employee does not enjoy fringe benefits, some of which are considered to be unemployment insurance compensation, vacation pay and other benefits, he may receive benefits by way of wages. In any case, it is a worker's wage package we are talking about, not a cost to an employer or to the government. The government has said it will give up its responsibility for situations it creates and we are going to have a sliding scale, so that it will continue to go up and the government will not have to worry about it.

Along with the hon. member for Nickel Belt (Mr. Rodriguez), I was happy to see the government share in the responsibility for unemployment. Perhaps other hon. members were not. Not only does the worker carry the unemployed by way of his contributions, but over a certain level the government has to carry its responsibility. I believe the rate should have stayed at 2 per cent, but it became 4 per cent. The government cannot stand the heat of unemployment at 4 per cent. It now wants to raise the rate to something over 5 per cent and this winter it may well reach a rate of 6 per cent for which the Unemployment Insurance Act is supposed to be responsible.

Premiums will be so high that there will be a violent revolution on the part of the employed against carrying that insurance rate for the unemployed. It is very hard for an individual who is paying high unemployment insurance premiums to realize that, but for the grace of God, it may be him drawing the benefits, and I am sure he often fails to see the relationship. It seems to me that all hon. members should be concerned that we are taking away the responsibility of the government for providing full employment or employment at as high a rate as it is possible to maintain.

What the government did yesterday was create a situation whereby it will carry on most of the fight against inflation on the backs of the poor, and where changes have been made in this legislation those changes will be detrimental to the poor element in our employment structure. It will apply to the lower income group, and it has been said it will apply to only 5 per cent or 10 per cent of the labour force. It will, and no matter what the level will be, the people at the lower end of the scale will be least able to take any loss.

This government has had a chequered record with regard to unemployment insurance. Much contradictory philosophy has gone into the thinking of the Liberal party since unemployment insurance was initially a request by J. S. Woodsworth in exchange for his support in keeping the King government in power 40 years ago. The thinking of the government has been as tortured since that period of time as it has been in any other philosophical field of which I can think.

If the government wants to get rid of unemployment insurance, it should at least allow workers some time to study another kind of program which will supply them with income support which will be sufficient. There are many workers in this country who would totally change the program, but this government wants to operate the plan and wants to make the changes it is making. The minister can talk about the role of the government in relation to the Canada Pension Plan, to old age pensions and to provincial assistance in such things as medicare,

supplementary benefits and other social aspects, but as long as the government wants to relate these things together in its social structure it must assume some responsibility for making contributions when actions it takes in other fields are detrimental to the employment picture in the nation.

Those hon. members who really want to see an unemployment insurance program continue should consider very carefully allowing the government to make the change it is contemplating in the benchmark, and taking away from the government the responsibility of coming as close as it believes possible to providing full employment and assuming responsibility above that amount. Ten years ago 2 per cent was bad, and 4 per cent in 1971 was considered a national responsibility. Anything up to 5.2 per cent presently appears to be satisfactory to this minister. By spring, that rate will probably be 6 per cent. I believe the government has a responsibility. I think, by this amendment, the government would be exercising that responsibility by reinstating the 4 per cent ceiling, which I would consider to be at least double an acceptable figure in a country with our resources if it were operated by a government which provided good economic leadership.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on this motion and on motions Nos. 18, 19 and 20 stands deferred.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. There was an order earlier that we take certain recorded votes not later than three o'clock. Since it is now eight minutes to three, perhaps we could call in the members for the three recorded votes on this bill and also for the recorded vote on the report stage amendment to Bill C-77.

Mr. Alexander: Mr. Speaker, I believe that is the agreement which was reached. However, I point out that I have another motion on the order paper, and in light of what has occurred with respect to other motions dealing with senior citizens and those who were on the extended benefit period with respect to the 75 per cent payment, I ask for the unanimous consent of the House to delete motion No. 21 standing in my name.

● (1450)

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is there unanimous consent that the hon. member for Hamilton West (Mr. Alexander) be allowed to withdraw motion No. 21 standing in his name?

Some hon. Members: Agreed.

Motion No. 21 (Mr. Alexander) withdrawn.

* * *

NATIONAL HOUSING ACT AND CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

AUTHORIZATION FOR CMHC TO MAKE INTEREST REDUCTION GRANTS, CASH GRANTS, ETC., TO ENCOURAGE HOUSE CONSTRUCTION

The House resumed consideration of Bill C-77, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

The House divided on the motion (Mr. Gilbert) which was negatived on the following division:

● (1500)

(*Division No. 93*)

YEAS

Messrs.

Blackburn	Firth	Nystrom
Broadbent	Gilbert	Orlikow
Dionne (Kamouraska)	Knowles (Winnipeg North Centre)	Peters
Douglas (Nanaimo-Cowichan-The Islands)	Lambert (Bellechasse)	Rodriguez
		Saltsman
		Symes—14.

NAYS

Messrs.

Alexander	Cafik	Dick
Alkenbrack	Campagnolo (Mrs.)	Dionne (Northumberland-Miramichi)
Allmand	Campbell (Miss) (South Western Nova)	Douglas (Bruce-Grey)
Anderson	Campbell (LaSalle-Émard-Côte Saint-Paul)	Drury
Andras (Port Arthur)	Caron	Duclos
Andres (Lincoln)	Clarke (Vancouver Quadra)	Dupont
Appolloni (Mrs.)	Clermont	Dupras
Baker (Gander-Twillingate)	Collenette	Duquet
Baker (Grenville-Carleton)	Comtois	Ellis
Basford	Condon	Epp
Béchard	Corbin	Fairweather
Bégin (Miss)	Corriveau	Faulkner
Blais	Côté	Fleming
Blaker	Crouse	Flynn
Blouin	Cyr	Forrestall
Boulanger	Danson	Foster
Breau	Darling	Fox
Brisco	Daudlin	Francis
Buchanan	De Bané	Friesen
Bussières	Demers	Gauthier (Ottawa-Vanier)

Unemployment Insurance Act

Messrs.

Gendron
Goodale
Guay
(St. Boniface)
Guilbault
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Harquail
Hees
Herbert
Holt (Mrs.)
Hopkins
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kempling
Korchinski
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Lapointe
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacFarlane
MacKay
MacLean
Macquarrie
Maine
Malone
Marceau
Marchand
(Kamloops-Cariboo)
Martin
Mazankowski
McCleave
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Neil
Nicholson (Miss)
Nielsen
Oberle
O'Connell
Olivier
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Pearsall
Philbrook
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Ritchie
Roberts
Robinson
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Schumacher
Scott
Sharp
Stanfield
Stewart
(Cochrane)
Stollery
Tessier
Trudeau
Trudel
Turner
(London East)
Turner
(Ottawa-Carleton)
Watson
Whiteway
Whittaker
Woolliams
Young—164.

● (1510)

Mr. Speaker: I therefore declare the motion lost.

Motion (Mr. Gilbert) negatived.

Hon. Barney Danson (Minister of State for Urban Affairs) moved that the bill be concurred in.

Motion agreed to.

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

Some hon. Members: Now.

Mr. Knowles (Winnipeg North Centre): Later this day.

* * *

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

The House resumed consideration of Bill C-69, to amend the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: The question is on motion No. 11 in the name of the hon. member for Hamilton West (Mr. Alexander). That motion has been grouped for the purpose of discussion and voting with motion No. 12, which is in the name of the hon. member for Winnipeg North Centre (Mr. Knowles).

[Mr. Deputy Speaker.]

The House divided on motion No. 11 (Mr. Alexander) which was negatived on the following division:

(Division No. 94)

YEAS

Messrs.

Alexander
Alkenbrack
Baker
(Grenville-Carleton)
Beatty
Blackburn
Breau
Brisco
Broadbent
Clarke
(Vancouver Quadra)
Crouse
Darling
Dick
Dionne
(Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Epp
Fairweather
Firth
Forrestall
Friesen
Gilbert
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hees
Howie
Huntington
Jarvis
Jelinek
Johnston
Kempling
Knowles
(Winnipeg North Centre)
Korchinski
Lambert
(Bellechasse)
La Salle
Lawrence
MacDonald
(Egmont)
MacKay
MacLean
Macquarrie
Malone
Mazankowski
McCleave
McGrath
McKinley
McKinnon
Muir
Munro
(Esquimalt-Saanich)
Neil
Nielsen
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Ritchie
Rodriguez
Saltsman
Schumacher
Scott
Stanfield
Symes
Whiteway
Whittaker
Woolliams—68.

NAYS

Messrs.

Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Goodale
Guay
(St. Boniface)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Joyal
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacFarlane
Maine
Marceau
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Philbrook
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Roberts
Robinson
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Stewart
(Cochrane)
Tessier
Trudeau
Trudel
Turner
(Ottawa-Carleton)
Watson
Young—112.

● (1520)

Motion No. 11 (Mr. Alexander) and motion No. 12 (Mr. Knowles (Winnipeg North Centre)) negatived.

The House divided on motion No. 16 (Mr. Peters) which was negatived on the following division:

(Division No. 95)

YEAS

Messrs.

Blackburn
Broadbent
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Firth
Gilbert
Knowles
(Winnipeg
North Centre)
Lambert
(Bellechasse)
Nystrom
Orlikow
Peters
Rodriguez
Symes—13.

NAYS

Messrs.

Alexander
Alkenbrack
Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Baker
(Grenville-Carleton)
Basford
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clarke
(Vancouver Quadra)
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cyr
Danson
Darling
Daudlin
De Bané
Demers
Dick
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Fairweather
Faulkner
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Goodale
Guay
(St. Boniface)
Guilbault
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Harquail
Hees
Herbert
Holt (Mrs.)
Hopkins
Howie
Huntington
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kempling
Korchinski
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacFarlane
MacKay
MacLean
Macquarrie
Maine
Malone
Marceau
Marchand
(Kamloops-Cariboo)
Martin
Mazankowski
McCleave
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Muir
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Neil
Nicholson (Miss)
Nielsen
Oberle
O'Connell
Olivier
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Pearsall
Philbrook
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Ritchie
Roberts
Robinson
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Schumacher
Scott
Sharp
Stanfield
Stewart
(Cochrane)
Tessier
Trudeau
Trudel
Turner
(Ottawa-Carleton)
Watson
Whiteway
Whittaker
Woolliams
Young—166.

● (1530)

Mr. Speaker: I therefore declare motion No. 16 lost.

Motion No. 16 (Mr. Peters) negatived.

Mr. Speaker: The question is on motion No. 17, which has been grouped for purposes of discussion and voting with motions Nos. 18, 19 and 20.

The House divided on motion No. 17 (Mr. Alexander) which was negatived on the following division:

(Division No. 96)

YEAS

Messrs.

Alexander
Alkenbrack
Baker
(Grenville-Carleton)
Beatty
Brisco
Broadbent
Clarke
(Vancouver Quadra)
Crouse
Darling
Dick
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Ellis
Epp
Fairweather
Firth
Forrestall
Friesen
Gilbert
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hees
Howie
Huntington
Jarvis
Jelinek
Johnston
Kempling
Knowles
(Winnipeg
North Centre)
Korchinski
Lambert
(Bellechasse)
La Salle
Lawrence
MacDonald
(Egmont)
MacKay
MacLean
Macquarrie
Malone
Mazankowski
McCleave
McGrath
McKinley
McKinnon
Muir
Munro
(Esquimalt-Saanich)
Neil
Nielsen
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Ritchie
Rodriguez
Schumacher
Scott
Stanfield
Symes
Whiteway
Whittaker
Woolliams—65.

NAYS

Messrs.

Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Goodale
Guay
(St. Boniface)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Joyal
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacFarlane
Maine
Marceau
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Philbrook

Messrs.

Portelance	Rooney	Tessier
Poulin	Roy (Timmins)	Trudeau
Prud'homme	Roy (Laval)	Trudel
Railton	Sauvé (Mrs.)	Turner (London East)
Raines	Sharp	Turner (Ottawa-Carleton)
Reid	Stewart (Cochrane)	Watson
Roberts		Young—114.
Robinson		
Rompkey		

Mr. Speaker: I therefore declare motions Nos. 17, 18, 19 and 20 lost.

Motion No. 17 (Mr. Alexander) negatived.

Motion No. 18 (Mr. Orlikow) negatived.

Motion No. 19 (Mr. Alexander) negatived.

Motion No. 20 (Mr. Orlikow) negatived.

● (1540)

Mr. Speaker: The question is on motion No. 22 in the name of the hon. member for Nickel Belt (Mr. Rodriguez).

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, this motion has neither been put nor debated.

Mr. John Rodriguez (Nickel Belt) moved:

Motion No. 22

That Bill C-69, to amend the Unemployment Insurance Act, 1971, be amended in clause 38 by deleting subclause (2) at page 20 and substituting the following therefor:

"(2) Subsections 1(2), 9(1) and 9(2) and Sections 4, 5, 10, 13, 14, 19, 22, 31 and 36 shall come into force on the first day of January, 1976."

He said: Mr. Speaker, I will give the members on the other side a Christmas present. I shall not speak for long on this particular amendment. I believe it is necessary to point out the phoniness of this bill. If there is anything that is cynical in respect of this bill it has to be this particular clause 38.

Mr. Speaker: The Parliamentary Secretary to the President of the Privy Council rises on a point of order.

Mr. Blais: Mr. Speaker, I do not wish to interrupt the hon. member but there has been a discussion among party leaders and I believe there is agreement that we should dispense with private members' business if we should reach it, so as to dispose of this motion in respect of Bill C-69.

Mr. Baker (Grenville-Carleton): This is agreeable, Mr. Speaker. The private members' motion for debate today stands in the name of the hon. member for Malpeque (Mr. MacLean), who has very kindly consented to allow it to stand.

[Mr. Speaker.]

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): We were prepared to reach this agreement at four o'clock, Mr. Speaker, so we will agree to it now.

Mr. Speaker: It is of course in the interest of this House, in knowing how to react to this debate, to have this information at this time rather than at four o'clock. Is it therefore agreed and so ordered that private members' business will be dispensed with on this date?

Some hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, I was saying that nothing is more cynical than clause 38. Clause 38(2) clearly defines those clauses of the legislation which will come into effect on January 1, 1976. What are those clauses? They are clauses 1(2), 10, 22 and 31. These are the clauses which eliminate the 65-year olds from coverage under the Unemployment Insurance Act, and which change the bench mark that in effect re-defines what the government considers to be full employment.

What we are attempting in this amendment is to include also in that effective date of January 1, 1976, those clauses which add some manner of progressiveness to the Unemployment Insurance Act. The first of those is the extension of the qualifying period. We are in agreement with that. We feel that in respect of those who have been sick, or in some way disabled, this is a progressive clause which would extend the qualifying period so that they could go back two years to the time before they were so disabled or so taken sick. There was even a private member's bill from this side of the House in the name of the hon. member for Nickel Belt which would extend the qualifying period. So we admit this is a progressive move and feel that surely it should come into effect on January 1, 1976.

The other clause which we feel should come into effect on January 1, 1976, is the clause in respect of voluntary termination of a claim, which we believe is a progressive step. As we know there is no provision in the act for voluntary termination of a claim. It seems to me that clause 14 would provide this kind of a progressive move. It is a move that is long overdue. It should have been included in the act when it was brought in in 1971.

We also feel that clause 31 is a progressive move and that this clause should be included in the provisions of clause 38(2). This clause, which would provide for the payment of expenses of anyone appearing before the umpire, we believe is long overdue. Indeed we found out during the committee hearings that there were 40,000 appeals to the board of referees. In that same period only 400 appeals were made to the umpire. In other words one per cent of the appeals to the referees ended up as appeals to the umpire.

Certainly there must be a reason for such a low number of appeals going to the umpire. We suspect what the reason is. The minister has promised that a study is under way of the appeal procedures. One reason we do not think this section has been working to the advantage of the claimants is the fact that many of the claimants must travel long distances in order to appear before the umpire. We think that has been a disincentive to claimants. Therefore we

believe clause 31 is a progressive step since it will provide for payment of expenses of those claimants who must travel some distance in order to appear before the umpire.

What do we find in clause 38? The cynicism is paramount. We find that the regressive steps which eliminate the 65-year olds from unemployment insurance, and which change the bench mark the government is prepared to make effective January 1, 1976.

When we asked the minister the reason why these other progressive steps could not be made effective the same date, January 1, 1976, he gave a phony answer. The minister said that these adjustments cannot be put into effect because it is administratively difficult. What is administratively difficult about paying the expenses of the claimants who appear before the umpire? It should not be difficult administratively to do this, with all the computers that are available to the government. The Unemployment Insurance Commission uses a computer very extensively. As a matter of fact the officials use it so extensively that when there is a problem concerning claimants the answer is that it was the computer which made the mistake. The government also has available to it the highly paid nabobs in the administration.

An hon. Member: What is a nabob?

Mr. Rodriguez: A nabob is someone hired by the Unemployment Insurance Commission to give the government advice. The hon. member for Sault Ste. Marie (Mr. Symes) says they are one step above a mandarin. Perhaps they are baby mandarins.

With all these high paid mandarins, nabobs, and flunkeys in the Unemployment Insurance Commission they cannot tell us that they cannot come up with a plan to get around the administrative hang-ups to make the progressive aspects of the minister's proposals effective on the same day on which the negative aspects will become effective. I suppose this would tax their brains, but I suspect that it will not tax their abilities.

● (1550)

I suspect that it is a deliberate attempt by the minister to say, "Look how tough I am". Look how tough he is with those who are collecting unemployment insurance and how tough he is with the poor, when we know that 70 per cent of those collecting unemployment insurance earn under $6,000! He is a pretty big and a pretty tough man when it comes to dealing with the little people, but when it comes to taking on the big guys making $35,000 a year, all he wants from them is a surtax of $10. When it comes to taking on those who receive family allowances, he takes off indexing of family allowances. I suppose that very shortly the government will want a means test for those who collect family allowances. See how tough they are with the little people. When it comes to the big ones, they curl up and start purring like a big tabby cat. That is the way it works.

The minister says it is administratively difficult to put clause 31 into effect, the clause under which travel and other expenses are paid for those who wish to appear before the umpire. He says it would be administratively difficult to terminate a claim voluntarily. It would not be difficult because we know full well that, if it is administratively easy to let the claim run on, they must have a process of knowing when a person establishes a claim which is continued. They have the computer set up; they know exactly when the claim is terminated so that a person who applies beyond that date is ineligible for unemployment insurance benefits. If they can set up a computer which tells them that a person who has collected maternity or sickness benefits after 29 weeks has terminated his or her claim, surely it should not be difficult for the government and this department to set up a computerized system which, on notification from the UIC in writing or by telephone, would immediately halt that claim.

I believe that a claimant should always have had the right to terminate the claim once he returned to work. But the government took that step in 1971. It was a discriminatory move, and now the minister leaves the change for some time in the future.

For us to accept this bill in the House at this point is very difficult because this is a regressive measure. We will not be serving the taxpayers and the people of Canada properly if we accept it under the present conditions.

The other clause which we think should become effective on January 1, 1976, is the extension of the qualifying period. Surely it should not be difficult to set up a system qualifying a person who has been jail, or on compensation, or who has been collecting a disability pension beyond one year. It should be possible to pick out his file and pick out the 104 weeks and see what earnings he has had within the 104 weeks. They are doing it now. They must have the latest separation certificate and they must look over the previous 52 weeks. It must be just as difficult administratively to look back at 52 weeks as it is to look back at 104 weeks. For them to say it is not, is just bullroar. I think the nabobs told them that that is one thing they do not want to put into effect now because of an ulterior motive, which is to build up the minister to look as if he were the greatest inflation fighter since Buckley. That is what they have attempted to do. They have tried to build him up as the greatest inflation fighter. It is easy to be a great inflation fighter when you are dealing with the little people, but when he is dealing with the big guys he pulls in his claws.

Mr. Korchinski: Let us have your Christmas present now.

Mr. Rodriguez: Never fear, you will get it. We look to the minister as if he were Santa Claus, but in fact he is nothing but a big Scrooge. He gave them a Christmas present. What is the Christmas present he has given them? He has informed the 65 year olds that they will not be covered after January 1. What has he told people on family allowances who are poor and may be unemployed? He has told them that they will not get the indexing. He is giving them a New Year's present. Boy, he sure can hand out presents! In effect, he tells them that they will get these things, effective on January 1, 1976, but not the beneficial clauses. That is the quarrel we have with him.

Even at this stage of the game we are prepared to move an amendment which would include these beneficial clauses. All the minister has to do is to rise and say he is prepared to move for their inclusion in the bill and to let them come into effect on January 1, 1976. I would be the first one to sit down if he were prepared to stand up and

say that he is prepared to include the beneficial items in this bill.

There is no one in the House who would like to go home for Christmas more than I do. I would certainly like to go home tomorrow because I have five small children at home. But in no way can I in good conscience let the minister get away with this subterfuge. All he has to do now is to rise in his place—but he is not interested in doing that because he wants to chat with that chatterbox from the Maritimes. He is not prepared to bring in those beneficial clauses. I know that members on the other side are concerned about that. I am sure that they come from parts of the country much like mine where people have problems with unemployment insurance when they cannot voluntarily suspend their claims or extend the qualifying period. I am also sure they have problems with claimants who want to appeal to the umpire but cannot afford the travel expenses to reach the place where the umpire is holding court. We are remiss if we are not prepared to insist that the minister include the beneficial clauses in the bill.

We have tried to examine this bill as closely as possible, and we have made our concrete and positive proposals in committee and at report stage. Now we have come to the last clause in the bill, which is the crunch. We appeal to the minister to include these particular beneficial clauses in the bill so that at least the edge will be taken off the negative clauses in the bill. I can say no more than to call on the minister to do that, and to give the House some assurance that these measures will be brought in on January 1, 1976. He owes it to the people of Canada because the government, in effect, has been the cause of high unemployment in the country. Surely he should be the one to rise in the House to say that at least the beneficial and progressive items in the bill will come into effect on January 1, 1976.

● (1600)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, it has been a long debate with a great deal of repetition, and I have gained great respect for the hon. member for Nickel Belt (Mr. Rodriguez), his vehemence, and his articulate ability to convey his point of view. In the words of, I think, Carlyle, the hon. member is someone who is often in error but never in doubt.

Some hon. Members: Hear, hear!

Mr. Andras: With regard to timing, the Bill C-69 provision which will become effective with Royal Assent is the insurability of LIP and LEAP individual sponsors, which is Clause 38(3).

Mr. Rodriguez: You are cutting that out.

Mr. Andras: No, we are not cutting out LIP. The hon. member for Nickel Belt is partly correct with regard to some of the clauses which will become effective—I want to be precise about this—on January 1 or January 4. There is still some problem about those two or three days because some of these affect the benefit cycle. The hon. member is correct about the increase in the period of disqualification, the dependency rate, the repeal of coverage of persons 65 years of age, and the repeal of the advance pay.

[Mr. Rodriguez.]

The voluntary termination of claims, however, will be effective on the same date, either January 1 or January 4. The new financing threshold will be in effect then. There are quite a few of what I call housekeeping amendments. One could choose which are beneficial and which will take effect then.

I wish to make reference to an amendment to the act which was contained in Bill C-16, that is, the flexibility in the payment of maternity benefits. It will be effective on February 1. I say to the hon. member that there is no plot in this; it simply is a problem of computer programming. That bill was given Royal Assent on July 30, and the computer programming, procedures, guidelines, and staff training were not completed in time to make that effective before February 1. I regret that, but that is the problem.

The flexibility in the payment of sickness benefits, which is by proclamation, and the extension of the qualifying period, the 104 weeks, are going to take computer re-programming. We cannot authorize the commission to expend what is some money involved in that until Royal Assent, and I am not trying to bamboozle the hon. member. It is a practical problem. The officials think it may take a few months to do that. I can only say that I will be watching very closely and pressing them to bring this into effect as quickly as possible. Those are the facts as we see them now.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Turner (London East)): Those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): Those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Call in the members.

The House divided on motion No. 22 (Mr. Rodriguez) which was negatived on the following division:

● (1610)

(*Division No. 97*)

YEAS

Messrs.

Broadbent	Gilbert	Nystrom
Dionne (Kamouraska)	Knowles (Winnipeg North Centre)	Orlikow
Douglas (Nanaimo-Cowichan-The Islands)	Lambert (Bellechasse)	Peters
Firth		Rodriguez
		Symes—12.

NAYS

Messrs.

Alexander	Flynn	MacLean
Alkenbrack	Forrestall	Macquarrie
Allmand	Foster	Maine
Anderson	Fox	Malone
Andras (Port Arthur)	Francis	Marceau
Andres (Lincoln)	Fraser	Marchand (Kamloops-Cariboo)
Appolloni (Mrs.)	Friesen	Martin
Baker (Gander-Twillingate)	Gauthier (Ottawa-Vanier)	Mazankowski
Baker (Grenville-Carleton)	Gendron	McCleave
Balfour	Goodale	McGrath
Basford	Guay (St. Boniface)	McIsaac
Beatty	Guilbault	McKinley
Béchard	Halliday	McKinnon
Bégin (Miss)	Hamilton (Qu'Appelle-Moose Mountain)	McRae
Blais	Hamilton (Swift Current-Maple Creek)	Milne
Blaker	Hargrave	Muir
Blouin	Harquail	Munro (Esquimalt-Saanich)
Boulanger	Hees	Munro (Hamilton East)
Breau	Herbert	Neil
Brisco	Holt (Mrs.)	Nicholson (Miss)
Buchanan	Hopkins	Nielsen
Bussières	Huntington	Oberle
Caccia	Isabelle	O'Connell
Cafik	Jarvis	Olivier
Campagnolo (Mrs.)	Jelinek	O'Sullivan
Campbell (LaSalle-Émard-Côte Saint-Paul)	Johnston	Ouellet
Caron	Joyal	Paproski
Chrétien	Kempling	Parent
Clarke (Vancouver Quadra)	Knowles (Norfolk-Haldimand)	Patterson
Clermont	Korchinski	Pearsall
Collenette	Lachance	Philbrook
Comtois	Lajoie	Portelance
Condon	Lalonde	Poulin
Corbin	Landers	Prud'homme
Corriveau	Lang	Railton
Côté	Laniel	Raines
Crouse	Lapointe	Reid
Cyr	La Salle	Richardson
Danson	Lawrence	Roberts
Darling	Leblanc (Laurier)	Robinson
Daudlin	LeBlanc (Westmorland-Kent)	Rompkey
De Bané	Lee	Rooney
Demers	Lefebvre	Roy (Timmins)
Dick	Lessard	Roy (Laval)
Dionne (Northumberland-Miramichi)	Loiselle (Chambly)	Sauvé (Mrs.)
Douglas (Bruce-Grey)	Loiselle (Saint-Henri)	Schumacher
Drury	Lumley	Scott
Duclos	MacDonald (Cardigan)	Sharp
Dupont	MacDonald (Egmont)	Smith (Saint-Jean)
Dupras	Macdonald (Rosedale)	Stanfield
Duquet	Mackasey	Stewart (Cochrane)
Ellis	MacKay	Tessier
Epp		Trudeau
Fairweather		Trudel
Faulkner		Watson
Fleming		Whiteway
		Whittaker
		Woolliams
		Young—167.

● (1630)

Mr. Speaker: I therefore declare the motion lost.

Motion No. 22 (Mr. Rodriguez) negatived.

Mr. Andras moved that the bill be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to.

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

Some hon. Members: Now.

Mr. Knowles (Winnipeg North Centre): Next sitting.

Mr. Speaker: It can only be done by leave.

Mr. Knowles (Winnipeg North Centre): Next sitting.

Mr. Speaker: At the next sitting of the House.

Some hon. Members: Shame!

* * *

NATIONAL HOUSING ACT AND CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

AUTHORIZATION FOR CMHC TO MAKE INTEREST REDUCTION GRANTS, CASH GRANTS, ETC., TO ENCOURAGE HOUSE CONSTRUCTION

Hon. Barney Danson (Minister of State for Urban Affairs) moved that Bill C-77, to amend the National Housing Act and the Central Mortgage and Housing Corporation Act, be read the third time and do pass.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

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

* * *

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT

MEASURE TO AMEND VARIOUS STATUTES TO PROVIDE FOR CHANGES IN PENSION CONTRIBUTIONS, BENEFITS, ETC.

The House proceeded to the consideration of Bill C-52, to amend the Public Service Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, as reported (with amendments) from the Special Joint Committee on Employer-Employee Relations in the Public Service.

Mr. Speaker: Earlier in the day the hon. member for Winnipeg North Centre (Mr. Knowles) gave notice of a

point of order to raise a question of procedure on this matter. I should, however, first put the motion. The motion under consideration will be motion No. 1 in the name of the President of the Treasury Board (Mr. Chrétien).

Mr. Chrétien moves:

Motion No. 1.

That Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be amended by adding after line 11 at page 2 the following new Clause:

"2.1 The definition "salary" in subsection 2(1) of the said Act is repealed and the following substituted therefor:

"salary" means

(*a*) as applied to the Public Service, the basic pay received by the person in respect of whom the expression is being applied for the performance of the regular duties of a position for the office exclusive of any amount received as allowances, special remuneration, payment for overtime or other compensation or as a gratuity unless that amount is deemed to be or to have been included in that person's basic pay pursuant to any regulation made under paragraph 32(1)(b.2); and

(*b*) as applied to the regular force or the Force, the pay or pay and allowances, as the case may be, applicable in the case of that person as determined under the *Canadian Forces Superannuation Act* or the *Royal Canadian Mounted Police Superannuation Act*;" ".

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my point of order, as I indicated earlier today, has to do with the procedural acceptability of several if not all of the report stage amendments. I hesitated for a moment because I thought the President of the Privy Council (Mr. Sharp) was raising a point of order as to whether we proceed with this now or tomorrow.

Mr. Sharp: Mr. Speaker, we have made the kind of progress I had hoped we would have made by today. I also feel reasonably confident that we can complete our work tomorrow. I therefore suggest that we defer any further consideration of Bill C-52 and third reading of Bill C-69 until tomorrow. I therefore move, seconded by the Minister of Public Works (Mr. Drury):

That the House shall sit on Saturday, December 20, 1975;

And that, for the purposes of Standing Orders 2, 6 and 15, that sitting shall be deemed to be a Friday, except no private members business shall be taken up.

Motion agreed to.

Mr. Speaker: Order, please. The House has had some indication that a point of procedure will be raised. Perhaps it is the desire of hon. members that we call it five o'clock and begin consideration of that tomorrow, or is there a disposition to discuss that point of order so that the Chair might consider a decision in the interval?

Is it agreed that we call it five o'clock?

Some hon. Members: Agreed.

Mr. Speaker: At the moment we have no order under consideration. It being five o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 4:35 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Saturday, December 20, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

LACK OF CONSULTATION ON FREEZING OF MEMBERS' SALARIES—MOTION UNDER S.O. 43

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the impression given by the Prime Minister that the government was asking Members of Parliament to accept a freeze on their remuneration for 1976, whereas in fact the bill as introduced would permit an increase in members' tax-free expense allowances during 1976, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That this House deplores the absence of consultation with opposition parties which has traditionally preceded changes in the remuneration of members of parliament, and that this House further regrets the duplicity and/or the stupidity of the government in embarrassing all members of parliament outside the Liberal caucus by pretending the members' remuneration was to be frozen for 1976.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INCOME TAX

SUGGESTED RECALCULATION OF TAX TABLE RELATED TO IMPOSITION OF TEN PER CENT SURTAX—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is interesting that that motion did not call for a change.

Some hon. Members: Hear, hear!

An hon. Member: What do you have in mind?

Mr. Broadbent: You will hear later in the question period.

Mr. Speaker, I rise under the provisions of Standing Order 43 concerning the fact that there appear to be serious errors in the surtax table which was tabled in the House two days ago, errors which, if not corrected, would leave the public with a false impression.

Some hon. Members: Oh, oh!

Mr. Broadbent: I wish hon. members would listen. For example, using the 1976 tax calculation table, for a man earning $35,000 with normal tax deductions, the surtax would actually be 35 cents instead of the $10 as indicated in the table.

I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Finance be required to have the table in question recalculated on the basis of tax rates applicable in the 1976 taxation year, and that he be required to present these figures to the general public so that it will have an accurate idea of the burden which the government is asking upper income earners to bear.

Mr. Speaker: Order, please. Such a motion cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

URBAN AFFAIRS

SUGGESTED INVESTIGATION OF PARTY GIVEN BY DEPARTMENT FOR WILLIAM TERON—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker—

Some hon. Members: No.

Mr. Cossitt: Hon. members will like this one. I rise on a matter of urgent and pressing necessity concerning a reportedly disgraceful party given by the Ministry of Urban Affairs on Monday, December 15 for Mr. William Teron to commemorate his recent promotion and paid for by the taxpayers of Canada.

I move, seconded by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty):

That the Prime Minister order an immediate investigation into the expenditures of public funds on Monday, December 15, 1975 by the Department of Urban Affairs for a party held at the government owned Lasalle Academy Building, Sussex Drive, in or about the vicinity of the office of William Teron, commemorating Mr. Teron's recent promotion, and particularly that the investigation include all details of damage to the wall, damage to the furniture and the fact that the office staff walked off the job the following—

Some hon. Members: Oh, oh!

Mr. Cossitt: Mr. Speaker, it is very difficult to read my motion.

Mr. Speaker: Order, please. I am sure the hon. member, as any hon. member, would want to respect those provisions of the rule which indicate that the motion ought to be sufficiently explained to understand its emergency nature,

but that it ought not to get into debate, and I wonder if the hon. member would conclude his motion.

Mr. Cossitt: I am on the final sentence of it.

Some hon. Members: Oh, oh!

Mr. Cossitt: If the trained seals opposite would shut up for once, I might be able to finish.

Some hon. Members: Hear, hear!

● (1110)

Mr. Cossitt:

Finally, the investigation includes whether or not the office staff walked off the job the following day because of conditions requiring a cleaning staff to take 24 hours to remove such things as vomit from the floor and other evidence of a riotous nature—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Order, please.

Some hon. Members: Order, order.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

An hon. Member: Its that cheap whisky.

Mr. Speaker: The hon. member for Winnipeg North Centre.

* * *

HOUSE OF COMMONS

PROPOSAL THAT MEMBERS' SALARIES AND TAX-FREE ALLOWANCES BE FROZEN—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to ask leave to present a motion under Standing Order 43 that will finish the job. I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the government to substitute for Bill C-81 a bill to freeze the total income of members of parliament including both indemnities and the tax-free allowance.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. This motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: Oral questions.

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

HOUSE OF COMMONS

REASON FOR GIVING IMPRESSION MEMBERS' REMUNERATION FROZEN WHEN TAX-FREE ALLOWANCE INCREASED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for either the Prime Minister or the government House leader. Has either one any explanation to give members of opposition parties in this House following the impression given to the public that our remuneration was to be frozen in 1976 and then introducing the bill which permits our taxfree allowances to be increased? This puts members of opposition parties at least in a false position as far as the public is concerned. Have they any explanation to offer with respect to this stupidity or duplicity?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, my statement made very clear that it was the salaries which we were freezing. If hon. members want their remuneration or the expense allowance to be frozen they just have to make a motion.

An hon. Member: They just did.

Mr. Baker (Grenville-Carleton): You guys turned it down.

Mr. Trudeau: Mr. Speaker, this synthetic indignation smacks of hypocrisy to me.

Some hon. Members: Hear, hear!

Mr. Trudeau: If the opposition parties, any of them, want to achieve this result, they just have to move an amendment when the bill gets into the House. We will then see if the really hypocritical type of question asked by the Leader of the Opposition—

Some hon. Members: Hear, hear!

An hon. Member: The same old arrogant Pierre.

An hon. Member: Merry Christmas!

Mr. Speaker: Order, please. So far, for what is almost a once in a lifetime Saturday sitting, we are not off to a very good start. It would appear that we are getting into debate. I know this is a subject which all hon. members will look forward to debating when the bill is before the House. I do not want to restrict questioning on the subject as it is a very important one, but neither do I want to permit a debate to take place at this time. I wonder if we ought not to guard carefully the questions and answers and stay away from debate. The hon. Leader of the Opposition on a supplementary.

Mr. Stanfield: Mr. Speaker, it is the hypocrisy of the Prime Minister to which I am objecting.

Some hon. Members: Hear, hear!

REASON FOR FAILURE TO CONSULT OPPOSITION BEFORE INTRODUCING BILL FREEZING MEMBERS' SALARIES

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question. Now, having at least an implicit assurance that an amendment to follow through on the impression the Prime Minister gave the public would be accepted by the government if it is put forward by the opposition, I should like to ask the government House leader why he saw fit to proceed with a bill like this completely ignoring the long standing tradition of consultation with opposition parties before any change is made which might have prevented such a piece of stupidity taking place?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, the government did not feel it could discuss with the opposition parties this particular measure, as it would have been necessary to reveal the whole of the government's program of cuts—

An. hon. Member: Rubbish!

Mr. Sharp: —because this particular measure for restricting increases, or doing away with the increases of salaries, was related to other measures the government was proposing.

Mr. Baker (Grenville-Carleton): Not at all.

Mr. Sharp: It was not done for any reason to do with not wanting to consult members of the other parties. As the Prime Minister said, they are free to move amendments which can reduce expenditures, although they cannot move amendments to increase expenditures. The Prime Minister indicated that we would consider favourably recommendations of that kind.

REQUEST FOR ASSURANCE LIBERAL CAUCUS NOT GIVEN PRIOR NOTICE OF SURTAX OR EXPENDITURE CUTS

Mr. Walter Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. Considering what the government House leader said about the difficulties of revelation, will he assure the House that, contrary to reports in the media, the Liberal caucus last Wednesday was not given notice of ways and means motions and other documents relating to the surtax or other parts of the government plan prior to their introduction in the House?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I can give that assurance. The government is careful, with ways and means motions of that kind, to see that its program is kept within the knowledge of the cabinet only. We observe that both in caucus and elsewhere. Indeed, special circumstances arose at the opening that day. We only made available the copy of the minister's notice after two o'clock, indeed, at 2.30. I assure the hon. gentleman that every precaution was taken. We asked the caucus for recommendations in the cutting of government expenditure but did not reveal our own program.

Mr. Baker (Grenville-Carleton): Mr. Speaker, in view of the faulty aspects of this phony program of cuts, would the minister chastise his caucus at the first available opportunity for its lack of imagination, and will the government House leader agree to table documents which will detail the complete package of loopholes and omissions relating to the salary cuts and surtax? Will he table the full package of all the omissions and other things the government neglected to tell the House?

Some hon. Members: Oh, oh!

* * *

SOCIAL SECURITY

POSSIBILITY OF A MEANS TEST FOR FAMILY ALLOWANCE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the President of the Treasury Board. Is the government considering introducing the means test for family allowances?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): No, Mr. Speaker. I stated on television on several occasions that if some families with very low incomes suffered as a result of the freeze on family allowances, federal programs could provide some aid. Yesterday, in Quebec, Premier Bourassa announced that families with very low incomes may receive an additional amount, half of which would be paid by the federal government. Unfortunately, Mr. Bourassa forgot to mention it to the Quebecers.

[*English*]

Mr. Broadbent: Mr. Speaker, I will be generous and assume the minister did not hear the question. I shall repeat it. Is the government considering, in the new year, introducing an amendment to the family allowance legislation which will provide a means test for recipients?

[*Translation*]

Mr. Chrétien: No, Mr. Speaker.

[*English*]

REQUEST FOR ASSURANCE FAMILY ALLOWANCE SCHEME WILL REMAIN UNIVERSAL

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. Will the minister assure the House that the family allowance scheme in Canada will remain a universal scheme?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the government plans for the moment are only to suspend family allowance increases for a year as a result of the budget cuts, the reason being, as I explained to the House, that these allowances went up from $7 in 1973 to $22. Nobody, I think, can say that we did not make considerable progress in that respect during the past three years.

● (1120)

INQUIRY WHETHER ESTABLISHMENT OF GUARANTEED ANNUAL INCOME WILL BE DELAYED

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

In view of the austerity program announced by the right hon. Prime Minister, can the minister tell the House whether that program will delay the introduction of a bill to adopt a guaranteed annual income, as he led us to believe some time ago?

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker, I do not believe so. A meeting of the welfare ministers will be held early in February as well as others, I hope, during the year. That project is still under discussion. Well before the austerity program was announced, I stated that we would have to wait for two to three years, because of economic circumstances, before implementing such a program. I hope that sometime next year we can reach an agreement with the provinces on the guaranteed income formula to be adopted across the country; subsequently, a bill will be introduced to Parliament, although I do not know exactly when; at this point, I can give no exact date, but I trust the government will be in a position to introduce a bill eventually, according to the schedule I announced some months ago.

Mr. Lambert (Bellechasse): In view of the reply of the minister that negotiations are still going on, can the minister tell the House whether the Quebec government seems to be willing to go along with such an annual guaranteed income plan, and whether the Quebec authorities are willing to share its cost—as well as tell the population, as the President of the Treasury Board so aptly put it a while ago?

Mr. Lalonde: Mr. Speaker, all through these discussions the Quebec government has given evidence of a very great sense of co-operation, as did the governments of other provinces. I have no cause to believe that the discussions that have begun will be interrupted or prejudiced in any way. I even believe we will reach an agreement next year. Such agreement will contain a clause which has already been foreseen and accepted by all provinces to the effect that in the future they will have to recognize unequivocally the federal government's contribution to social programs.

HOUSE OF COMMONS

REASON PRIME MINISTER SAID MEMBERS' PAY FREEZE SUPPORTED BY LIBERAL CAUCUS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Prime Minister. In view of the right hon. gentleman's admonition the other night for a collective effort by all of us, why did the Prime Minister think it necessary to say, in his television speech, that the parliamentarians' pay freeze was a decision of the government supported by the Liberal caucus when he knows very well that all MP's, whether they are in support of the government or not, must share the responsibility of this decision?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did have the privilege of consulting the Liberal caucus. I was not invited to the Conservative caucus, but I do not know what I would—

[Mr. Lambert (Bellechasse).]

Some hon. Members: Oh, oh!

Mr. Trudeau: I might add that the question of a cut was in the wind. It had been leaked in some way that the government was considering it. I must say that the only advice I got from some members of the Tory party was not to proceed with it.

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I rise on a point of order.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I would like to give notice of a question of privilege.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. members on both sides of the House will have to understand that I at least have to hear a preliminary indication of the question of privilege in order to decide whether I should take it now or at twelve o'clock.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I would like to raise a question of privilege at twelve o'clock with respect to the statement just made by the Prime Minister as it relates to one made previously to me by the government House leader.

ADMINISTRATION OF JUSTICE

STATEMENT BY MINISTER OF CONSUMER AND CORPORATE AFFAIRS ON JUDGMENT OF QUEBEC COURT—POSITION OF PRIME MINISTER

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Prime Minister and ask him whether he intends to repudiate the unprecedented and reprehensible attack on the Quebec Superior Court by his colleague the Minister of Consumer and Corporate Affairs who referred to a decision of that court in a case involving an alleged monopoly by sugar companies as "disgraceful". Does the right hon. gentleman intend to repudiate that statement or does he hold the view that he and his colleagues are above the courts, thereby undermining the whole essence of the rule of law?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, following the hon. member's remarks, I want to say that I have full confidence in Canadian justice. It was an extremely important case. I think we had an excellent case. Perhaps we did not have a good judge, but that does not prevent me from having excellent reasons to see to justice.

Immediately after the judgment was rendered, I spoke with the Minister of Justice and asked him to see that officials consider the opportunity to file an appeal.

[*English*]

Mr. McGrath: A supplementary question to the Minister of Justice. Does the Minister of Justice hold to the view just expressed in the House by his colleague the Minister of Consumer and Corporate Affairs that this judge was

somewhat less than competent in rendering this decision and, if he does, what action does he intend to take? Or does he intend, as a responsible Minister of Justice, to repudiate the unprecedented and reprehensible slur on the courts of Quebec by his colleague the Minister of Consumer and Corporate Affairs?

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Justice): The judge in question was obviously acting in accordance with his duties and authority as a judge, and in accordance with the law as he saw it. We are considering the judgment in the case very carefully to determine whether an appeal should be made or not, and a decision will be taken on the best advice we can receive.

Mr. McGrath: My final question is to the Minister of Justice who has the responsibility for upholding the dignity of the courts in addition to his other duties. The question is the same as the one I put to the Prime Minister. Does he intend to repudiate the statement made by the Minister of Consumer and Corporate Affairs, reported in the press today, in which he said with reference to the decision of the Quebec Superior Court on the sugar case: "It is a complete shock to me and I find it a complete disgrace." Does the minister intend to repudiate that statement?

Mr. Basford: I have just said the judge was acting in accordance with what he perceived the law to be and I intend to go no further.

* * *

UNEMPLOYMENT INSURANCE

LAY-OFF OF EMPLOYEES AT BOWATER'S MILL IN NOVA SCOTIA—ALLEGED DENIAL OF BENEFITS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to address my question to the Minister of Manpower and Immigration. It arises from the fact that some 116 men employed as "spares" at the Bowater's Mersey Mill in Liverpool, Nova Scotia have been without income for 50 days, are without job security, do not belong to any union and are, unfortunately, unable to obtain any alternative form of employment, have been denied unemployment insurance benefits to date. Has the minister had time to look into this matter which I brought to his attention this week and will he arrange to provide unemployment benefits or jobs to these unfortunate Canadians who are desperately in need of assistance at this time?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I appreciate the action of the hon. member in drawing this matter to my attention yesterday or the day before. I have initiated a complete analysis and review of the decision made by the Commission but I am not yet in a position to know whether the decision was correct or not. However, I will undertake to telephone the hon. member just as soon as I have a report, possibly this afternoon.

COMBINES

ALLEGED SUGAR MONOPOLY—REASON MINISTER FINDS JUDGMENT OF COURT UNACCEPTABLE

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is supplementary to those asked by the hon. member for St. John's East and it is directed to the Minister of Consumer and Corporate Affairs. Since the minister feels himself free to attack the unimpeded operation of the judicial system, will he explain to the House the basis of the government's case against the three sugar combines under the Combines Investigation Act and why, in his opinion, the judgment of the court is unacceptable to him?

● (1130)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The conclusions drawn by the hon. member have nothing to do with my statement.

HOUSE OF COMMONS

INQUIRY AS TO COST OF EXTRA SITTING DAYS

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I wish to put a question to the President of the Privy Council.

Since employees of the House of Commons and particularly those of the Printing Bureau get double pay, could the President of the Privy Council say how much a supplementary sitting day as today costs?

[*English*]

Mr. Lloyd Francis (Parliamentary Secretary to President of Treasury Board): Mr. Speaker, I will take the matter up with the President of the Treasury Board, who will no doubt reply to the hon. member at a later date.

PROPOSED SUBSTITUTION OF MEASURE FOR BILL C-81 TO FREEZE TOTAL REMUNERATION OF MEMBERS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Privy Council. In order to save time when we come back in January in seeking to amend a bill that is drawn in rather complicated terms, would the government consider in the recess producing a bill in substitution for Bill C-81 that will impose a freeze on our total income, bearing in mind that the minister knows that that was our position before the freeze was announced and that we would be willing to give unanimous consent to the procedural aspect of such a substitution?

Hon. Mitchell Sharp (President of the Privy Council): No, Mr. Speaker, that would not be our intention. When there were rumours circulating that the government might bring in a measure of this kind, it was quite clear that it would not receive the unanimous support of all members. I had representations from the Conservative side and from our own side protesting against any curtailment of escalation. The government made its decision, as has been announced, to stop the escalation on salaries, not on

expenses, which are in a different category. We will continue with that measure, Mr. Speaker, but if there are amendments proposed and they get majority support the government will accept that decision.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question either to the government House leader or the Prime Minister. In view of the assurance given to the Leader of the Opposition this morning that consideration would be given to an amendment covering the whole works, would it not be simpler for the government to put that into the bill, or is the Prime Minister's willingness to consider an amendment only a prelude to turning it down?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot add much to what the House leader has said, I think in a very correct fashion. I am surprised that the hon. member who asked the question is proposing only a freeze. Why does he not consider a rollback?

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): I give notice of a point of order, Mr. Speaker.

Mr. Speaker: Order, please. As I pointed out at the beginning of the question period, difficulty always arises if we debate a subject that is already before the House in another form.

* * *

GOVERNMENT ADMINISTRATION

EFFECT OF CHANGE IN FAMILY ALLOWANCE AND MANPOWER TRAINING GRANTS ON CANADA ASSISTANCE PLAN COSTS—REQUEST FOR ESTIMATE

Mr. David MacDonald (Egmont): Mr. Speaker, my question really covers two departments, the Department of Finance and the Department of National Health and Welfare, so perhaps I should put it to the Prime Minister. In view of the expression of opinion by the Canadian Council on Social Development that the program announced the night before last is "a crass act of political expediency and a betrayal of government promises not to fight inflation on the backs of the poor", may I ask the Prime Minister whether or not the government has made any estimate of the increased cost to the federal and provincial governments under the Canada assistance plan of its failure to continue the indexing of family allowances and manpower training grants, which account for more than two-thirds of the proposed reductions in expenditure this year?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we knew when we were bringing in this series of cuts that the cynics and small minds would always say "we wanted you to cut, but not so and so". Over the past two days we have been having from the opposition, and I must say from a lot of the media, the expression of exactly what I predicted would happen—"If only the government had cut other things elsewhere, we would have supported them". I have very little respect, Mr. Speaker, for that kind of attitude.

Mr. MacDonald (Egmont): A supplementary question, Mr. Speaker. It is obvious that the Prime Minister is unwilling to answer the question. I am trying to determine whether he is also unable to answer the question, which is as follows. Inasmuch as the substantial reduction of $250 million in payments to dependent children and families, which the government has cut from this year's estimates, will increase Canada assistance plan payments under social assistence programs in the various provinces as well as increase transfer payments, I ask the Prime Minister whether he can inform the House what amount of additional revenue will have to be expended through these two programs to compensate for this short fall.

Mr. Trudeau: Mr. Speaker, it seems to me that the hon. member's question is proving what we established all along, that most of the federal government's expenditures are on services and goods to people. If we are asked to cut them back, it means there will be less goods and services for the people.

Mr. MacDonald (Egmont): A final supplementary question, Mr. Speaker. My question is simply this. When will the government indicate to the House the amount of additional expenditure required under the Canada assistance plan and by way of transfer payments or adjustment grants involving more than half the provinces of this country in order to ensure the adequacy of social assistance to dependent families and children?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it is impossible to give an answer to the hon. member; he should know for the simple reason that social security levels—

[*English*]

Mr. MacDonald (Egmont): Then if you do not know, you are irresponsible.

Mr. Lalonde: You asked a question, so shut up and you will get an answer.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Lalonde: —are determined by the provinces. The federal government shares 50 per cent of the cost and we shall assume 50 per cent of any increase the provinces will decide to grant needy Canadians, whether or not those people have dependent children.

* * *

[*English*]

TRANSPORT

REDUCTION IN EXPENDITURES ON EAST COAST SERVICES—EFFECT ON PRINCE EDWARD ISLAND FERRY SERVICE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I want to address a question to the Minister of Transport and to ask for clarification of the statement made by the President of

the Treasury Board regarding cuts in government expenditure. In regard to the reduction of $5 million expenditure on the operation of the east coast, gulf and coastal services announced, can the minister say how these savings are to be achieved; and in particular, can he say how the ferry services linking Prince Edward Island and the mainland will be affected?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I cannot give the specific figures, which will be proposed in due course, but I can indicate that the saving will result from the reduction in the very large subsidy payments that would otherwise be incurred due to an increase in certain of the rates for ferry services. The exact increase will be indicated in due course.

● (1140)

Mr. MacLean: Mr. Speaker, I take it the reply given by the minister to a written question by me quite recently in which it is stated that at present there are no plans to alter this tariff structure, referring to ferry rates, is no longer valid?

Mr. Lang: That is right.

* * *

POST OFFICE

PROPOSED INCREASE IN RATES—POSSIBLE VIOLATION OF ANTI-INFLATION GUIDELINES

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question arises from a Canadian Press announcement yesterday by the Postmaster General. Would he explain to the House how he can raise postage rates on first-class letters from the present eight cents to ten cents or 11 cents, which amounts to an increase of 25 per cent or more, and still comply with the Anti-Inflation Board guidelines?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, it will be up to the Anti-Inflation Board to determine whether a 2-cent increase on an 8-cent stamp is inflationary. I would imagine it would also want to take into consideration the increased cost of operating the post office, other than wages, which fortunately is being offset by increased productivity, which is at an all-time high incidentally now in the post office.

Some hon. Members: Hear, hear!

Mr. Mackasey: It will also want to take into consideration the fact that the rate for first-class mail in West Germany is 23 cents; in Holland it is 18 cents, and in Great Britain it is 16 cents.

An hon. Member: We are not in West Germany.

Mr. Mackasey: If ours goes from eight cents to ten cents it will be in accordance with an announcement I made last July in the House of Commons.

Mr. Alkenbrack: Mr. Speaker, the press release quotes the Postmaster General as saying that rates should increase once the post office has recovered its efficiency. Should not the rates be reduced with increased efficiency?

Some hon. Members: Oh, oh!

Mr. Hees: This one has got to be good.

Some hon. Members: Oh, oh!

Mr. Mackasey: Mr. Speaker, this was one of my favourite members.

Some hon. Members: Hear, hear!

Mr. Mackasey: His questions are usually quite intelligent.

Some hon. Members: Hear, hear!

Mr. Stanfield: That one is very intelligent.

Mr. Mackasey: There are exceptions, periodically.

Some hon. Members: Oh, oh!

Mr. Mackasey: Mr. Speaker, the hon. member is perfectly right, in that the increased efficiency is making it possible for the post office to run at a lesser expense, taking into consideration the high rate of inflation in this country which we have been able to compensate for as well as the increased pay package.

Some hon. Members: Hear, hear!

An hon. Member: And if anyone can figure that out he is a better man than I.

Some hon. Members: Hear, hear!

An hon. Member: You lost us about halfway through.

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FISHERIES

SALMON ENHANCEMENT PROGRAM—EFFECT OF REDUCTION IN EXPENDITURES

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, in view of the announced cutbacks in fisheries expenditures, would the Minister of Fisheries advise the House what effect this will have on the salmon enhancement program in British Columbia, and whether that salmon enhancement program will in fact have to be curtailed because of the guidelines?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, when the hon. member sees the estimates following their publication he will realize that fisheries was still given high priority by my colleagues. As far as the enhancement program is concerned, we will continue it even if I have to sell the furniture in my office.

Some hon. Members: Hear, hear!

Mr. Crouse: That's a start.

Oral Questions

NATIONAL PARKS

PRINCE EDWARD ISLAND—SUGGESTED MORATORIUM ON IMPOSITION OF FEE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development who is a bit peripatetic this morning. Has he received a deluge of representations from the people of Prince Edward Island, the government and legislature of that province protesting the imposition of a $2 fee for those seeking the beaches of Prince Edward Island through entry into the PEI National Park, and will he recognize the reasonableness of these representations by placing a moratorium on such fee imposition and costly expenditures on toll gates?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, this is a question that has arisen on many previous occasions. Basically, the position is that the national park in Prince Edward Island is one of our national parks and part of our national system. It is very difficult to say we are not going to charge a fee for Prince Edward Island but will for Fundy and Kejimkujik. It is part of our national system and we feel it is equitable that the users should be contributing a minimum of 18 per cent, which is what it amounts to, of the operating costs of our national parks.

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ENVIRONMENTAL AFFAIRS

BRITISH COLUMBIA—DATE OF SIGNING OF AGREEMENT AFFECTING IMPLEMENTATION OF OKANAGAN WATER BOARD STUDY

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, considering that in the week to come the people of British Columbia will be celebrating both Christmas and the transfer of power to the newly elected government, will the Minister of the Environment undertake to indicate to his British Columbia counterpart or the appropriate minister, as soon as he or she is appointed, his willingness to proceed with the signing of the implementation agreement affecting the Okanagan Basin water board study recommendations?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I will look at the hon. member's suggestion very carefully.

* * *

LABOUR CONDITIONS

PULP AND PAPER WORKERS' STRIKE—POSSIBLE REPRESENTATIONS BY MINISTER IN VIEW OF DECISION ON IRVING SETTLEMENT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, in view of the decision of the Anti-Inflation Board in turning back the settlement by Irving Pulp and Paper in the Canadian Paperworkers' Union, and in view of the fact the Minister of Labour has stated in this House that he hoped the industry would settle along the lines of the Irving settlement, is the minister planning to make representations to the Anti-Inflation Board on behalf of the Canadian Paperworkers' Union just as the Postmaster General said he was prepared to do for the inside postal workers?

[Mr. Crouse.]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the premise upon which the hon. member bases his question is not correct. I at no time recommended that the settlement be along the lines of the Irving settlement.

An hon. Member: Oh, yes, you did.

Mr. Munro (Hamilton East): I have checked everywhere in my remarks at all meetings and I believe the hon. member will find I have not done so at any time.

An hon. Member: You gave the impression.

Mr. Munro (Hamilton East): What I did say was that once the Anti-Inflation Board had ruled in respect of the Irving settlement I hoped this might be a further breakthrough in a conclusion of this strike that has affected so many people so harshly, particularly in view of those groups presently still out. That is still my hope.

Mr. Kempling: Mr. Speaker, perhaps the minister would answer the latter part of my question. Is he prepared to make representations to the Anti-Inflation Board on behalf of the Canadian Paperworkers' Union?

Mr. Munro (Hamilton East): No, Mr. Speaker, I do not believe it would be appropriate for me to do so. I would advise the House and the hon. member that the head of the union has contacted me by telegram and I will be meeting with him next week.

* * *

ANTI-INFLATION BOARD

REQUEST FOR ASSURANCE STAFF WILL BE RECRUITED FROM WITHIN CIVIL SERVICE

Mr. F. A. Philbrook (Halton): Mr. Speaker, in view of the proposed increase in the size of the Anti-Inflation Board staff, and in view of the recent cutbacks in certain government programs, with the proposed reduction in the civil service, will the Minister of Finance reassure the House that as many as possible of those members will be recruited for this Anti-Inflation Board from within the present civil service?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that is certainly the case. Up to the present time the great majority of the staff of the Anti-Inflation Board has been seconded from other government of Canada positions.

GRAIN

ALLEGED ILLEGAL STORAGE OF BUCKWHEAT FROM UNITED STATES—REQUEST FOR REPORT ON GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, last week in the House the hon. member for Oshawa-Whitby asked the Minister of Agriculture about reports that buckwheat is being stored illegally in Canada for the United States for export to Japan, I believe. On Tuesday of this week the Minister of Agriculture sent a letter to the hon. member for Oshawa-Whitby confirming that U.S. buckwheat was being stored illegally in elevators in Manitoba and had referred this information to the Minister of Transport and also the Canadian Grain Commission. I should like to ask the Minister of Transport whether he has had time to take action as a result of this information, and will he inform us what action he has taken, if any?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have not yet had a report from the Canadian Grain Commission.

● (1150)

ALLEGED ILLEGAL STORAGE OF BUCKWHEAT FROM UNITED STATES—ADEQUACY OF INSPECTION SERVICE

Mr. Lorne Nystrom (Yorkton-Melville): The Minister of Agriculture, in his letter to the hon. member for Oshawa-Whitby has said that this type of activity had taken place in the past. I should like to ask the Minister in charge of the Canadian Wheat Board whether or not he is satisfied that the Canadian Grain Commission has adequate means at its disposal for policing the illegal importation and storage of grain in this country from the United States.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am not sure that any system can be perfect and detect every illegality. I have no reason to doubt that generally there is an adequate inspection system, but I will certainly look at it again in the context of the allegations that have been made.

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REGIONAL ECONOMIC EXPANSION

PROPOSED ESTABLISHMENT OF STEEL COMPLEX IN CAPE BRETON—AVAILABILITY OF FEDERAL FUNDING

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. But before putting it, may I commend him for his visit to Cape Breton Island this week and for making himself aware of the uncertain future and uncertain conditions of the steel and coal industries. I should like to ask him if, on behalf of the government, he could advise the House whether any federal funding could be made available to the province of Nova Scotia with reference to establishing a new steel complex on Cape Breton Island.

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am certainly not in a position at the moment to give the hon. member a precise answer, since he knows that no concrete proposal has been presented either to the federal government or to my department regarding the establishment of a steel plant in the province of Nova Scotia. We must therefore wait for such a proposal before determining whether we shall have to participate financially or otherwise in that project and, if so, in what way.

[*English*]

Mr. Muir: I must agree with the hon. gentleman when he says that Mr. Regan is not very concrete in anything. May I ask the minister if he would confer with the President of the Privy Council who, as Acting Prime Minister some months ago, advised me that there would be federal funding if a project of this nature were to be undertaken.

[*Translation*]

Mr. Lessard: Mr. Speaker, I do not agree with the first remark of my hon. colleague concerning the decisions which will be made by the premier of Nova Scotia. But I am willing to reiterate that I can in no way at this moment determine whether federal funds will be put into such a project, and to what extent. There probably will be, but I must stress that until now there is no concrete proposal for the establishment of such a steel plant. We certainly will have to wait for that proposal to be able to indicate the degree of participation by the federal government.

* * *

[*English*]

URBAN AFFAIRS

TORONTO HARBOUR-FRONT PARK—SUGGESTED DELAY IN IMPLEMENTATION OF PROGRAM

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, because it was the government House leader who so ceremoniously introduced the now trouble-plagued election goody, the $30 million Harbour-front Park to the people of Toronto on the eve of the 1972 federal election, I would like to pose my question to him. In view of the past management failures, rising costs, and very little to show for it, and because we would all like the restraint program to improve by reducing wasteful expenditures, would the government consider taking steps to wind down this project completely, at least for a period of time, in order to reduce the continuing increase in government spending?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, we are looking at economies in all directions. I would like to say, however, that I believe that the decision of the federal government to acquire the property along the harbour front, will, in times to come, be recognized as one of the most forward looking steps taken by the federal government.

Mr. Jelinek: In view of the minister's answer, could he advise the House when this so-called park is estimated to be completed? I believe that the people of Toronto are not quite ready to have this costly park at this time. What will the final cost of this project be to the unsuspecting taxpayer?

Mr. Sharp: Mr. Speaker, as I have said, we have been effecting economies in a number of directions and this is

one where immediate expenditures in this area have been effected. The point that I think that the hon. member is overlooking is that in time to come the people of Toronto will have access to their harbour front which is now destroyed by commercial development of a kind that is not suitable for a modern city.

* * *

PUBLISHING

REQUEST FOR STATEMENT ON GOVERNMENT POSITION WITH REGARD TO "TIME" AND "READER'S DIGEST"

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed either to the Prime Minister or the Secretary of State. I should like to ask either of these two gentleman whether or not the government intends any statement to be made to the two publishing companies which find themselves in limbo as do some others because of the fact that Bill C-58 is not before the House. There are a number of publishing companies which are about to lay-off their staff by January 1 if some assurance is not given by the government, will such a statement be made shortly?

* * *

[*Translation*]

OLYMPIC GAMES

INQUIRY WHETHER QUEBEC ASKED FOR FEDERAL HELP WITH FINANCING

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the President of the Treasury Board who is not in the House this morning. Here he comes.

My question is related to the financing of the Olympic Games. We are at the end of the year and the 1976 Olympic Games are coming. Considering that the minister responsible told us not so long ago that Quebec made no request to try and find a solution to alleviate the deficit of the Olympic Games and considering that, not more than ten days ago, the Quebec premier confirmed to the press that there were still negotiations with Ottawa, I would like to ask the minister whether he is aware of the negotiations, whether Quebec requested some help to try to balance the deficit of the Olympic Games and whether the federal government made a new decision on this subject.

Hon. Jean Chrétien (President of the Treasury Board): First of all, Mr. Speaker, I would point out to the hon. member that I am much more often in the House than he is, that I look after the affairs of the nation rather than boost the election campaign of a candidate, and that I am not very good at "packing" conventions.

To answer the hon. member's question, I have not received any official request from anybody.

Mr. La Salle: This is not a very satisfying answer to my question.

If I felt like giving the run around to someone, I would like to be able to do it as well as the minister now, and I say it again. The minister is fooling a lot this morning, Mr. Speaker.

* * *

[*English*]

INDIAN AFFAIRS

EFFECT OF REDUCTION OF EXPENDITURES ON SOCIAL PROGRAMS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. I should like to ask him if he could tell the House how the cuts in spending in the Indian affairs program announced by the government on Thursday can be absorbed by his department without affecting the most essential of social programs for the native people under his department?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have looked very carefully at the nature of the cuts and we have done our utmost to made certain that they will not have a sharp impact in the area referred to by the hon. member.

Mr. Oberle: Since his department only maintains social programs for the native people, has the minister considered cuts in the staff of his department in addition to those already recommended by the Treasury Board and has he considered eliminating some of the already obsolete decisions in his department in order to absorb this cut?

Mr. Buchanan: This is one area where we have had a diminution in staff over the years, and we expect we will continue to have it in Indian Affairs.

* * *

AGRICULTURE

REDUCTION IN FEDERAL SHARE OF COST OF CROP INSURANCE—GOVERNMENT ACTION TO OFFSET

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, in the absence of the Minister of Agriculture I should like to direct my question to the Prime Minister. In light of the $10 million reduction in the federal share of crop insurance, will the farmers and the provinces be expected to cover this reduction?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in our cuts we are expecting everybody to bear some share of the sacrifice. I think the hon. member's question should certainly throw the light on the attitude taken by some of his colleagues that the government cuts are phony.

Mr. Whittaker: Since this is a reduction by one third in the federal government's share, does the Prime Minister expect that crop insurance can survive this blow? Would it not have been better to first reduce the expenditures of the Department of Agriculture in the areas of professional and special services and utilities, and materials and supplies, which totalled $9.4 million and $12.8 million respectively in the 1975-76 estimates, since the former too often causes morale problems—

• (1200)

Mr. Speaker: Order, please.

Mr. Whittaker: —and the latter too often proves to be unnecessary?

Mr. Speaker: Order, please. The hon. member will realize that if he is asking a question, it is argumentative, and if it is not a question, it is a representation.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. BAKER (GRENVILLE-CARLETON)—GOVERNMENT ANNOUNCEMENT OF SURTAX ON PERSONAL INCOMES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, during the course of the question period I gave notice of a question of privilege with respect to a matter which had arisen. Quite frankly, I was surprised that I had to give notice; I thought the government House leader (Mr. Sharp) would want to give notice of the question of privilege to protect himself, in view of the conflict in his answer with the one given by the Prime Minister (Mr. Trudeau). The question arose from a media report in the Montreal *Gazette* in which it is stated:

> The announcement of the 10 per cent surtax on taxable personal incomes in excess of $30,000 was to have been made at 8 p.m. last night—

That is, December 18.

> —simultaneous with the release of anti-inflation regulations and government spending cuts.
>
> The informants say, however, that the tax plan—discussed in advance at a meeting of Liberal caucus by members of the cabinet—spread at the Christmas party and the government became nervous about a possible charge of a budget leak.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): I asked the minister a very serious question which related not only to the surtax but to the other parts of the government's plan. The minister assured me—and, I suppose, every hon. member of the House—that every precaution was taken. He went on to say that the caucus was asked for recommendations with regard to the cutting of government expenditures. However, then he said that the program was not revealed. In answer to a question by the hon. member for Fundy-Royal (Mr. Fairweather) the Prime Minister then said he had the privilege of consulting the Liberal caucus.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Moreover, on the program which has now become known in Canada as "As the Stomach Turns", the Prime Minister, when he appeared on television, said that the government, with the support of the Liberal caucus, will ask parliament with respect to the salary increases. I raise this question of privilege seriously. If the intention of the government was originally—and these were stories which we heard in the halls of this place—to announce its total package by eight o'clock, it appears from what has been said in the media and elsewhere, and now by the Prime Minister, that there was some consultation with the Liberal caucus with respect to part of the program, even the matter of parliamentary salaries, and as the Leader of the Opposition (Mr. Stanfield) said, there was not even the courtesy of the usual consultations with the leaders of the other parties.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): This becomes extremely important not only to the merits of this matter but also to a document I have in my hand. This document is a list of unanswered questions from October to November, 1975, which have been evaded by the government. My question of privilege is this: if some members of parliament have been given advance notice of a government program which is akin to a taxation program in any part thereof, then the privileges of this House have been breached.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): In view of the conflicting answers, as I believe I heard those answers, I think it is important from the point of view of the operation of this house, the integrity of the government and, indeed, the integrity of the whole program that we have an explanation from one or other of those gentlemen who have apparently come into conflict with themselves as to exactly what happened at that Liberal caucus, an assurance that this program was not leaked, and an apology to the House.

Some hon. Members: Hear, hear!

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I will not deal with the various points made by the hon. member for Grenville-Carleton (Mr. Baker) with regard to salaries and expenditure cuts. I will deal with what is my specific responsibility as Minister of Finance, the taxation measure. I did not see the report in the *Gazette* of, I take it, this morning that the taxation measure had been discussed with the Liberal caucus. I can say that this is a false report.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): At no time was the surtax measure discussed either with the Liberal caucus or with any person outside the cabinet or outside my own department beyond the normal way in which a taxation measure is prepared within the government and submitted to cabinet. I think there is more than ample evidence of that fact in that there was not even a suggestion in all of the speculation leading up to the announcement on Thursday that that particular surtax measure was forthcoming. That is another false report in the Montreal *Gazette*, I think equivalent to the one to which my predecessor was submitted earlier this year.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, perhaps I could deal with the other half of the question, since the Minister of Finance (Mr. Macdonald) indicated

that there has been no consultation on one aspect of our announcements. I repeat what I said earlier and what the hon. member quoted, that we did consult the Liberal caucus about the possibility of cutting expenditures in all areas; that a proposition was put to me—in writing, as a matter of fact—by some Liberals that we should consider cutting our own salaries; that the matter was raised by other Liberals in the caucus; and that it was discussed in various ways, as the House leader said, with varying degrees of opinion. That consultation did take place.

What I said in my announcement in the evening was correct, therefore, that it was our assessment that we had the support of the caucus. I think the overwhelming support the President of the Treasury Board (Mr. Chrétien) received from this side when he made the announcement that night indicated that the caucus was indeed with him. I see in this no question of privilege or no breach of trust. We on this side do believe in consulting the caucus.

Some hon. Members: Hear, hear!

Mr. Trudeau: But then, after having heard a very free and frank discussion in caucus, we returned to cabinet, assessed the mood of our caucus, learned from it ways of wisdom, and made our decisions.

Some hon. Members: Hear, hear!

● (1210)

Mr. Trudeau: I might add one word, that I find it passing strange that on the one hand it seems to be an offence for us for having consulted caucus therefore and having broken some kind of secret whereas on the other hand the Leader of the Opposition (Mr. Stanfield) was blaming us for not consulting them before. This is to me—

An hon. Member: That is the point.

Mr. Trudeau: That is the point, yes. We cannot be wrong in consulting our caucus, receiving opinion from all sides as I did, Mr. Speaker—as we did have representation from both sides on what should be done.

Mr. MacDonald (Egmont): What sophistry!

Mr. Trudeau: There is no sophistry involved in this. Members of the Tory party came over and spoke to me and suggested various—

An hon. Member: Cuts.

Mr. Trudeau: —cuts which should or should not be made. This contradictory approach on the other side proves my earlier assessment of them, that their whole attitude in this has been cynical, petty and false.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I do not rise to dispute in any way the statement made by the Minister of Finance (Mr. Macdonald). I accept it as a member of the House. I am happy to receive assurances in that regard. What I rise for, Mr. Speaker, follows from the remarks of the Prime Minister (Mr. Trudeau). I asked the government House leader why they had not followed the usual tradition in this House of consulting opposition parties when making changes with regard to salaries, emoluments or arrangements concerning members, and he said that this was impossible because it would have involved disclosure of the whole program. Now it appears that there has been disclosure of the whole program. I am not going back on what the Prime Minister—

Some hon. Members: Oh, oh!

Some hon. Members: No, no!

Mr. Stanfield: There has been consultation with the members of the Liberal caucus about—

Mr. Guay (St. Boniface): Why not?

Mr. Stanfield: Why not? I do not object—

Mr. Speaker: Order, please. This whole subject, of course, is one that is very emotionally charged. However, there seems to be no need to interfere with the hon. Leader of the Opposition (Mr. Stanfield). I am very anxious to hear what he has to say.

Mr. Stanfield: Mr. Speaker, I shall be very brief. I have not the slightest objection to the Prime Minister consulting members of his caucus—

Mr. Trudeau: Baker does.

Mr. Stanfield: —on the matter of salaries of members—

Mr. Trudeau: But Baker does.

Mr. Stanfield: —but I have the greatest objection to the Prime Minister consulting the members of caucus, and then his House leader rising in this House and refusing to comply with the usual condition of consulting members of the opposition about the same matter. I say there is not the slightest shadow of excuse for the conduct of the government House Leader on this matter. I say his failure to consult, in the usual tradition, with regard to changes in members' salaries and emoluments has probably contributed to the mess in which he has placed his own members and all the rest of us. It is a gross breach of courtesy, without the slightest excuse at all.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, on the same question of privilege and the question of consultation with specific reference to the issue of salaries of members of parliament and the possibility of a cut or curtailment of future increases being taken on the part of the government, I can say on behalf of our party that there were such informal consultations with the chief government whip and the House leader acting on behalf of the New Democratic Party. At that time we made it clear that we would strongly favour the curtailment of the increase. If I may say so, we took no steps to say anything publicly at that time. It would have been, perhaps, an opportunity to indulge in some false bravado. We had no intention of raising the matter had it not been today in the House of Commons. We indicated to the government that we would fully support such a move, as is consistent with the position we took just about a year ago in this House.

I should like to conclude by saying that I personally resent the kind of shot taken by the Prime Minister (Mr.

Trudeau) at our own House leader for not calling for a reduction. I find that offensive both in terms of its implication for that member to whom it was directed and, indeed, to members of my party which, as the Prime Minister knows, opposed the increase—

Mr. Trudeau: Some of them.

Mr. Broadbent: —when it was brought foward a year ago and indicated a few days ago in private consultations before the government's move—and we said nothing about it—that we would support the government in the action it was going to take on the anti-inflation measure with regard to the salaries of members of parliament.

Mr. Speaker: Order, please. There has already been rather extensive discussion on this point. While I would never be in the position of refusing any member the right to make a contribution to a question of privilege, it would, however, appear to have been rather adequately discussed. I think all hon. members realize this is perhaps a very serious grievance and a complaint about lack of courtesy, as it were, as described by the Leader of the Opposition (Mr. Stanfield). That is the complaint. It is not for me, or for the House at this time, to judge the merits on one side or other of that argument. The fact is that that is a very accurate description of the nature of the complaint.

There has been an assurance by the Minister of Finance (Mr. Macdonald) vis-à-vis one portion of the program which related to a taxation measure. That would be the only area in which a potential question of privilege could have been involved by any disclosure. That assurance has been given and has been accepted. In any case, it is a long-standing tradition of this House that it would be accepted, having been given in such explicit terms.

Consultation as it relates to the balance of the program would not, in my opinion, constitute a question of privilege. It has been described in other terms, which is a matter for disagreement and discussion and debate, but it does not constitute a question of privilege. Perhaps we might get on to other points.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for St. John's East (Mr. McGrath).

Mr. McGrath: Mr. Speaker, I rise on a point of order.

Mr. Donald W. Munro (Esquimalt-Saanich): I rise on a question of privilege.

Mr. Speaker: The hon. member for Esquimalt-Saanich (Mr. Munro).

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, this is a separate question of privilege. I had to wait until today because it refers to an exchange which took place between me and the right hon. Prime Minister (Mr. Trudeau) yesterday as reported at page 10192 of *Hansard*. Mr. Speaker, while we may not be able to oblige ministers to reply to questions put to them—

Mr. Speaker: Order, please. The hon. member, if I am not mistaken, is referring to an exchange which took place yesterday. It was not at that time raised or referred to by the hon. member for Esquimalt-Saanich (Mr. Munro) nor, to my knowledge, do I have any notice of his intention to raise it today. In the circumstances, I do not see, procedurally, how we can receive a question of privilege at this time on an exchange which took place yesterday.

The hon. member for St. John's East (Mr. McGrath).

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The hon. member for Egmont (Mr. MacDonald) on a question of privilege.

MR. MACDONALD (EGMONT)—GOVERNMENT ANNOUNCEMENT OF SURTAX ON PERSONAL INCOMES

Mr. David MacDonald (Egmont): Mr. Speaker, this is a new question of privilege which has just arisen as a result of the remarks of the Leader of the New Democratic Party because it concerns a previous statement by the government House leader as well as a statement by the Prime Minister (Mr. Trudeau). In the considerable exchange that took place both in the question period and following the question of privilege raised by my colleague, the hon. member for Grenville-Carleton (Mr. Baker), both the government House leader and the Prime Minister indicated the nature of the situation with respect to consultation with the government caucus and the revealing of that information prior to its announcement here on Thursday night.

It has now transpired that in fact there were consultations with other parties in this House, apart from the party represented by Her Majesty's Loyal Opposition. I think this, in a sense, presents us with two reasons why the rights and privileges of members have been affronted. First, the government House leader and the Prime Minister spoke falsely when they stated that there was no consultation beyond their own caucus regardless of what the nature of the consultation might have been within their own caucus. I think that, at least, is deserving of an explanation and an apology to this House and particularly to the Leader of the Opposition (Mr. Stanfield) and all members of this party.

Second, inasmuch as there has been a long-standing tradition of this nature, it would seem that either the government House leader or the Prime Minister or the cabinet have altered the normal rules of consultation which have existed in this House since this House has been operating with political parties. I think there has been considerable departure, particularly with something so sensitive and basic as the indemnities of members, and this deserves a full, accurate and honest explanation.

● (1220)

Mr. Speaker: Order, please. Do other hon. members wish to contribute to this question of privilege?

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, it is now apparent that the Minister (Mr. Trudeau) needed to consult a number of members of the House of Commons on this serious question of the forgoing of increases in salaries. My question of privilege would give the Prime

Minister an opportunity to apologize to the House for calling some members cynics and hypocrites. Throughout the question period the Prime Minister deliberately tried to discredit members of the opposition and led the House to believe that only the Liberal caucus—and then, apparently, the NDP caucus as well—were in favour of forgoing pay increases scheduled for January 1, 1976. The position of the official opposition is well known and was articulated on October 30 when my colleague from Burnaby-Richmond-Delta (Mr. Reynolds) raised the matter in this House under Standing Order 43.

Mr. Speaker: Order, please. The hon. member for Prince George-Peace River (Mr. Oberle) is adding further comments to the question of privilege raised by the hon. member for Egmont (Mr. MacDonald). Essentially, the question is very similar to the one which was previously discussed and decided. There is a new element, relating to remarks made by the hon. member for Oshawa-Whitby (Mr. Broadbent), but the point is the same. A complaint about lack of consultation may be a matter of grievance or involve courtesy and tradition but it does not in any case constitute a question of privilege.

Further, the hon. member for Prince George-Peace River says that his alleged question of privilege will provide the opportunity for an apology to be made, presumably for calling members of the opposition cynics and hypocrites. There is nothing unparliamentary about that language. It is a matter of disagreement. If I were to take steps to purge all the discussions in this House of language of that sort, it would become a dull place indeed. Perhaps, having heard enough on that non-question of privilege, we may consider the question of privilege to be raised by the Minister of State for Urban Affairs (Mr. Danson) and, afterwards, other points of order.

MR. DANSON—REMARKS OF MR. COSSITT

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, my question of privilege relates to the subject raised by the hon. member for Leeds (Mr. Cossitt) under Standing Order 43, which reflects on my conduct relating to my responsibilities in my ministry. The hon. member made false, exaggerated and untrue accusations based on a newspaper report of a reception held in my ministry earlier this week. I hoped the hon. member would follow with a question on this matter later in the question period. To my surprise, he did not. I sent him a note, but no question was raised.

Mr. Cossitt: Because I did not get the chance.

Mr. Danson: I resent that very much. Further, I resent Standing Order 43 being used to make these accusations when the hon. member has not the courage to follow with a question.

Some hon. Members: Hear, hear!

Mr. Danson: I further resent implications and innuendoes affecting dedicated, hard working public servants in this government who work for this country and held a reception for the acting secretary of the ministry, which I attended. Actually, when I saw the newspaper report the next day I thought perhaps I had left a good party too early.

The suggestion the hon. member made was totally false. His suggestions are untrue. The reception was conducted in a part of the building still undergoing renovation. That is why people were not working there the next day. They were working elsewhere. The acting secretary of the ministry and President of CMHC had moved to less spacious quarters downstairs, which they are putting to effective use. Everyone was out of the building by 9.05. Most had left by 8.10. I checked the guard's records in this respect. The only vomit I am aware of was that which I felt in my own gut when I heard the hon. member's remarks.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Before calling, as is customary, on the hon. member for Leeds (Mr. Cossitt) to contribute to the question of privilege, I confirm that during the question period the hon. member for Leeds tried to seek the floor. Regrettably, other hon. members were also seeking the floor.

Mr. Tom Cossitt (Leeds): Mr. Speaker, speaking to the matter raised by the minister, I received his note, as he said, which suggested that if I were to ask a question he would reply. As you said, sir, I attempted to seek the floor but, as you said also, many others also tried to seek the floor. If I had been successful in being recognized, I doubt if the minister would have been able to reply, as on a number of occasions during the question period he was absent from his seat.

When I raised this matter Your Honour suggested that perhaps it was not a matter of urgent and pressing necessity. But the minister indicated that he made some investigation, which shows that at least he thought it was a matter of urgent and pressing necessity. I respectfully suggest I had every right to raise this matter, for the following reasons: first, as the minister suggested, there were reports in the local newspaper on this matter. Those, in themselves, would not be sufficient reason for raising the matter. I discussed the matter with several reputable members of the press gallery—

Some hon. Members: Oh, oh!

Mr. Cossitt: I resent, Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Broadbent: Merry Christmas to you, too.

Mr. Speaker: Order, please. Evidently, there are other aspects of this procedural binge which must be dealt with before we finish. If hon. members would be quiet, perhaps we could come to the end of it.

Mr. Cossitt: I resent hon. members opposite indicating, apparently, that they consider the members of the press gallery to be disreputable.

Mr. Guay (St. Boniface): You said the words.

Mr. Cossitt: I raised the matter because I understand press photographers went to the premises and were refused entrance. They were there in their desire to take what they

considered to be pictures of a messy situation. It has been admitted by the minister that public funds were used to finance this party. It was done by his ministry. I do not by any means, as the minister suggests, accuse him personally or reflect in any way on him. I sympathize with the minister because I realize it is difficult for him to keep up with the wheeling and dealing of, Mr. Teron, who has far more connections at 24 Sussex Drive than he has.

Some hon. Members: Oh, oh!

An hon. Member: You are sick.

Mr. Speaker: Order, please. Perhaps the House will forgive me if I take the responsibility for judging that there have been sufficient contributions from both sides of the House on this essentially non-question of privilege.

Mr. Danson: Mr. Speaker, may I speak for a moment, as the hon. member referred to a senior official? I do not know exactly what the hon. member said, but I believe the hon. member referred several times to Mr. Teron. I suggest that accusations have been made which are absolutely false. I resent them, as they are totally unjustified.

Mr. Speaker: Order, please. I ask both hon. members to co-operate and bring this matter to a conclusion. There is simply no machinery whereby we can permit, under the guise of a so-called question of privilege, the kind of accusations and counter-accusations which have been made. This is a matter of debate and discussion at some other time.

The hon. member for St. John's East (Mr. McGrath).

● (1230)

Mr. McGrath: Mr. Speaker, I rise on a point of order. It arises out of the reply to my question in the House today by the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and the Minister of Justice (Mr. Basford), which question in turn arose from what I consider to be the reprehensible conduct of the Minister of Consumer and Corporate Affairs. My point of order is prompted by an unprecedented attack on the Quebec Superior Court and one of its judges by the Minister of Consumer and Corporate Affairs arising out of a judgment with which he does not agree.

I may say that I consider this to be a very important matter, one of considerable substance in terms of the rules and practices of this House. I intend to show Your Honour that there has, in fact, been a very serious breach of the rules of this House. My colleague, the hon. member for Fundy-Royal (Mr. Fairweather), a distinguished member of the bar and a former attorney general of the province of New Brunswick, will be setting out to Your Honour the learned authorities on this question which I hope will assist the Chair in coming to a conclusion on this very serious matter.

I may say that when I was contacted by the same Canadian Press reporter yesterday to give my views on the decision of the court in acquitting the three sugar companies, my reply to the member of the press was, "Of course, I cannot reflect on a decision of the court. It would be most improper for me to do so."

Some hon. Members: Hear, hear!

Mr. McGrath: The minister made his comments outside the House, and this led to my question. However, I intend to show that in reply to my question today he breached the rules inside the House by referring to the judge who made the decision as, "He may have been a very poor judge."

Some hon. Members: Shame!

Mr. McGrath: Mr. Justice Kenneth MacKay of the Quebec Court of Queen's Bench is a federal judge appointed by the governor in council under the jurisdiction and responsibility of the Attorney General of Canada, the Minister of Justice (Mr. Basford), who has to take the ultimate responsibility in this regard. My point of order is based on the well-known practice, tradition and, indeed, rule of this House that members of this place may not attack the integrity of the Queen, the Governor General or members of the judiciary of this country.

Some hon. Members: Hear, hear!

Mr. McGrath: That well-known practice is based upon very sound principles. It is based upon the very foundation of our country, the British North America Act, which sets out the division of powers within the federal state that is Canada. It sets out the division of powers within the federal jurisdiction and the powers of the sovereign, their advisers, the Parliament of Canada and the courts of Canada. That is precisely why we may not criticize, in this House, any single part of that constitutional authority which, of course, is the Government of Canada.

I submit that if anybody should be criticized in this regard, the minister should have, more properly, directed his criticism at his own department for failing to prove its case in court. If there is anything disgraceful or reprehensible in this regard, I submit it is the conduct of the Minister of Consumer and Corporate Affairs.

Some hon. Members: Hear, hear!

Mr. McGrath: I ask you, Mr. Speaker, to make a ruling on this point of order. If you find that I do have a valid point of order, it would logically follow that the Minister of Consumer and Corporate Affairs would be obliged to withdraw the slur he made on the Superior Court of Quebec and one of its judges.

Mr. Fairweather: Mr. Speaker, I can well understand the frustration of the Minister of Consumer and Corporate Affairs (Mr. Ouellet). I differ in one respect from my hon. friend who has just spoken. I thought the decision was one that would indeed frustrate the minister. I have been following this case, which has been going on for four years. The problem is that part of the case was a part of public life in this country for many years before that. Therefore, the frustration of the minister is understandable. Perhaps if he had been able to refer to the decision and not to Mr. Justice MacKay himself, he would have been well within the rules.

I happen to believe that one of the healthier occurrences in Canada lately is that the present Chief Justice of Canada has opened the courts. Decisions are subject to a good deal of comment and debate. Previously, we used to bow before the sacred cow. I suppose I was as guilty of that as anyone else. However, the present Chief Justice has

indeed favoured the opening up of comment and criticism on decisions. Beauchesne's fourth edition, at page 128, citation 152(4) is very, very clear. I quote:

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attack and censure, have always been considered unparliamentary—

Perhaps the minister will want to withdraw his comment about the person of Mister Justice MacKay and confine his frustration to the decision of that esteemed gentleman.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I appreciate the remarks of the hon. member for Fundy-Royal (Mr. Fairweather). However, I wish to say that the comments of the hon. member for St. John's East (Mr. McGrath) have failed to impress me. I think he would have had a brilliant career on the stage because he is perfect in the part of the offended virgin. I must say, Mr. Speaker, that I did not mean to attack a Superior Court justice personally and that I did not do so. If I have given that impression, I am sorry and I apologize. I resent the fact that the hon. member for St. John's East is trying to give to my remarks an interpretation which was not intended. I did say and I repeat that the judgment which was passed yesterday in the case of sugar surprises me, disappoints me and even dismays me. I fully trust the judiciary, as I said in answer to the hon. member's question during the question period. He should have paid attention to my reply. At no time did I try to cast aspersion on the judiciary. It is precisely because I have confidence in it that I spoke to my colleague, the Minister of Justice (Mr. Basford). Therefore I hope that, following consultations with his officials, he will appeal the decision.

[*English*]

Mr. Basford: Mr. Speaker, I want to intervene very briefly. I am delighted to note that the House is overwhelmed with the spirit of Christmas.

Some hon. Members: Hear, hear!

Mr. Basford: On the point of order raised by the hon. member for St. John's East (Mr. McGrath), Beauchesne is quite clear in both citation 149(j) and 152(4) that the type of remarks that are deemed to be unparliamentary, as the hon. member for Fundy-Royal (Mr. Fairweather) has indicated, are those that cast reflections upon the conduct of judges, or a personal attack or censure. My colleague made it clear that that was not what he was engaged in. He indicated clearly that it was not the type of remark he was intending to make. I would, therefore, suggest that pursuant to citations 149(j) and 152(4) there is not, in view of the remarks of my colleague, any point of order. I indicated that I did not want to go any further, and I refused in the question period to go any further with the questions of the hon. member for St. John's East because, as I indicated, in my view the judge in this particular case was acting in the course of his duties. It is a matter which may or may not be appealed upon the advice and decision of myself and departmental officials, and I do not think it would be proper for me to go further.

● (1240)

Mr. McGrath: On the point of order—

[Mr. Fairweather.]

Mr. Speaker: Order, please. The hon. member for St. John's East (Mr. McGrath) has raised a point of order. It has been supplemented by the hon. member for Fundy-Royal (Mr. Fairweather), the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and the Minister of Justice (Mr. Basford). I could not be quite as generous as the Minister of Justice in interpreting the circumstances, namely, that there probably never was any disorder in the first place. Fortunately, perhaps, for the Chair that point now becomes academic. If, in fact, a disorder did occur in the remarks of the Minister of Consumer and Corporate Affairs in giving an answer to the hon. member for St. John's East today, and it may have been very close to that, if it did not in fact constitute it—that is a matter for interpretation—that disorder can only be remedied in the way it has been, and that is by the minister doing what he did, which was to give a clear indication that if he had created that impression in the initial instance, it was not his intention to do so and he apologises for it.

The minister's intention was to express his displeasure or discomfort with the decision, not with the judge. I, certainly, am satisfied that this was the intent of the minister's explanation. His intention was to apologise if he had cast aspersions on the judge in any way, and to withdraw. I accept that, and draw the discussion on the point of order to a close.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, during the question period, because of an answer the Prime Minister (Mr. Trudeau) gave to me, I indicated that I wished to raise a point of order. However, since the Prime Minister has left and since my hon. friend from Oshawa-Whitby (Mr. Broadbent) referred to the Prime Minister's answer in terms which were appropriate, I shall let it go and simply express the hope that perhaps before the day is out we shall all wish each other a Merry Christmas.

Some hon. Members: Hear, hear!

Mrs. Holt: On a point of order, I would ask whether you, Mr. Speaker, could use some of your great wisdom and insight to tell us what happened to the much-vaunted Christmas spirit. I hope that somehow in this House today we can find peace and good will and prepare for a Merry Christmas and a Happy New Year. I hope the new year will be happier. If you can find where that Christmas cheer went over there, I would appreciate it.

Mr. Malone: Mr. Speaker, mine is a slightly different point of order. It relates to the question I put in the House today dealing with the publishing industry and the fact that by January 1 some publishing industries will be closing, with a large number of jobs and $1.5 million lost. I simply want to put forward the point of order that because there is need for a statement—this being the last day, and that is why we asked for it, and the question period being the time we can ask questions—I ask the government House leader, do we have to put up, in the publishing industry, too, with both a stacked committee on broadcasting and non-answers in the House, because these industries must make decisions and the government must somehow give them some direction before January 1?

Miss Campbell: Mr. Speaker, I should like to clear up this matter in the hon. member's mind. I think the business

of the House was brought out on Wednesday of this week, and Bill C-58, as the hon. member knows, states the date as to when it takes effect, as he sat in the committee. It will be coming up again after Christmas, so I think everyone is aware, as well as all the publishing companies, when it takes effect. Unfortunately, the minister was here until the last ten minutes of the question period and I had just happened to step out for a minute. It is very unfortunate that we didn't hear the question, but I think the information is already known.

Mr. Mackasey: Mr. Speaker, on a point of order I want to point out that the hon. member for Fundy-Royal (Mr. Fairweather), with his usual wisdom, raised a point of order in such a manner that it permitted the Minister of Consumer and Corporate Affairs (Mr. Ouellet), who feels very deeply about his responsibilities to the consumers of this country, to clarify his precise wording in order that his statements are quite acceptable. This, I think, is in the true spirit of the House, as it should be.

I would, therefore, suggest to the hon. member for Leeds (Mr. Cossitt)—I know I have the support of the House leader of the opposition who represents so many civil servants in this country—that there is another tradition. Civil servants are not in a position to protect themselves in the House of Commons, and maybe the hon. member for Leeds discussed a party which I did not attend and to which I was not invited—I do not usually remember, the day after, what happens at these parties; I would not be a very good witness—but I would suggest that in using the phrase "wheeling and dealing" he might possibly have been carried away a little bit.

In raising my point of order I am wondering whether the hon. member would not mind modifying that, unless he is prepared to make such a statement outside the House where both he and the public servants would have an equal opportunity to prove before the courts whether or not there is wheeling and dealing.

Some hon. Members: Hear, hear!

Mr. Mackasey: I am talking now on behalf of all public servants who, I think, provide the best public service in the world, in spite of criticism. I was wondering whether possibly the hon. member for Leeds might, in the same spirit, wish to take advantage of my point of order to soften or to clarify what he means by "wheeling and dealing".

Mr. Cossitt: I had not expected that this matter would be raised again. However, there are just one or two comments I should make in reply to the minister. First of all, he has said that civil servants cannot defend themselves against statements made in this House. This would imply that a member ot the opposition has no right to question the actions of a public servant in the House. I would point out that the minister of the department is here and is quite capable of replying, as the Minister of State for Urban Affairs (Mr. Danson) did in this particular case. With regard to the expression "wheeling and dealing", the minister suggests that I make the statement outside the House. I just did.

Some hon. Members: Oh, oh!

Mr. Cossitt: It is a matter of what one means by "wheeling and dealing". You could say, "a very fast moving individual". He certainly moved very fast up the ladder in the public service.

Mr. Speaker: Order. We have reopened, under the guise of a point of order, what is essentially not a point of order. The matter seems to have been more than adequately dealt with and perhaps we ought now to get on.

* * *

HOUSE OF COMMONS

CHRISTMAS ADJOURNMENT

On the order:

That, when the House adjourns after Bill C-75, an act to increase the rate of return on government annuity contracts, to increase their flexibility and to discontinue future sales thereof, has received the royal assent, it shall stand adjourned until Monday, January 26, 1976, provided always that, if it appears to the satisfaction of Mr. Speaker, after consultations with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

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

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I would ask that this motion stand. I would also ask that it be made an order of the House that we call motions later this day after we have disposed of other business, so that I can move this motion.

Some hon. Members: Agreed.

Mr. Speaker: It is agreed, and so ordered.

● (1250)

Mr. Cossitt: Mr. Speaker, on a number of occasions I have risen to ask about the delay in answering question 69. I hesitate to do so again, but it is now within 10 to 15 days of the approach of its third calendar year on the order paper, and I therefore feel I have a legitimate point of order in asking how a question can remain on the order paper for three calendar years. Indeed, by the time the House reconvenes in January it will be well into its third year.

The question asks for some simple, basic facts: firstly, the number of trips taken by the Prime Minister (Mr. Trudeau) at public expense since the election of October 30, 1972; the number of these trips that involved personal holidays; the number of these trips that involved going to Liberal party gatherings. Every day we can look across the House and see in the gallery a host of people from the Prime Minister's office, so it is obvious he has a big staff. If some of them would go back to his office and do some work, then we might get an answer to some questions.

An hon. Member: You are sick.

Mr. Cossitt: Every time I raise this point of order, Mr. Speaker, members opposite start yelling, "You are sick".

The trouble is that if they heard the answer they would be sick, and I suspect that the people of Canada would be sick, as well, at what is going on. I do not think it is proper, when a member rises on a legitimate point of order concerning a written question, that all he should get is this kind of garbage from the government side.

I suggest, in conclusion, Mr. Speaker, that there can only be three reasons why this question is not being answered. One is that the staff of the Prime Minister's office does not do any work. The second possibility is that the answer would be embarrassing. Perhaps the third reason is that the answer would be scandalous. Perhaps the reason the government is not answering this question comprises all three.

Mr. Oberle: Mr. Speaker, I rise on a similar point of order. May I say that I do not abuse, in the House, the privilege of asking the government questions. On July 17 of this year I placed on the order paper a very simple question asking what services of the Department of Public Works were applied to a minor contract in Ottawa, whether there were outside consultants employed, who they were and what was the cost. Would it be fair to ask the parliamentary secretary today whether he intends to answer this question or procure an answer, and then the answer will be forthcoming?

Mr. Blais: Mr. Speaker, it is the intention to furnish replies to all questions standing on the order paper prior to adjournment or prorogation of this session.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO ADD NEW CLASS OF INSURABLE EMPLOYMENT

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved that Bill C-69, to amend the Unemployment Insurance Act, 1971, be read the third time and do pass.

Mr. Speaker: Order, please. In calling motions I overlooked a motion standing in the name of the hon. member for Halifax-East Hants (Mr. McCleave), which will stand. Is that agreed?

Some hon. Members: Agreed.

Mr. Broadbent: Mr. Speaker, might I suggest—

Some hon. Members: No.

Mr. Broadbent: Mr. Speaker, I am trying to restore some element of amiability to these proceedings. Might I suggest that we could all do with an extra four minutes for lunch, and that we now call it one o'clock?

[Mr. Cossitt.]

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

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in initiating the third reading debate on this important if, in our view, bad bill in respect of changes to the unemployment insurance regulations, let me say at the outset that the first task of the government on unemployment insurance is to deal with the problem of unemployment in the country.

If we had a situation in which there was virtually full employment, to say the obvious we would be in need of almost no unemployment insurance. I cannot at this stage overlook what I feel is an obligation to say something briefly about the failure of the government on the general question of unemployment in the country and the problem which has led to the major change in the legislation on the government's part, to which I will come in a minute. It is this kind of change the government has brought in that we reject most categorically.

Since this act was previously amended in 1971 we have had persistently high and increasing levels of unemployment. In no year since 1971, in Canada, has unemployment fallen below 5 per cent, and in most years it has been well in excess of that figure. This year it is running at about 7.5 per cent, and according to the most recent OECD report and a report by the Conference Board, a group of independent economists in Canada, unemployment during next year is going to be well in excess of 7 per cent.

When we consider the net effect of the programs brought into the House on Thursday night by the President of the Treasury Board (Mr. Chrétien), we can see they virtually guarantee we will have increasing unemployment in our country during the next 12 months. We have been told about cuts in the Department of Agriculture, in the Department of Fisheries, in Finance and our railway system. We have been told about cuts in virtually every department which has a direct or indirect effect on the employment prospects of the ordinary Canadian. What I should like to have seen was a refreshing bit of candour on the part of the government.

Mr. Stanfield: Even if it is Christmas, that is too much to expect.

Mr. Broadbent: I believe the Leader of the Official Opposition (Mr. Stanfield) expresses some dismay at that prospect, but perhaps because it is the Christmas season I tend to be a little more optimistic than normal. I should like to see the government do what has been done in the United States, in the United Kingdom and in most democracies where those governments have come out with a basic financial structure; that is, they table their employment forecasts. This government refuses to do this. I have no doubt that the reason in the particular case the government refuses is that, in turn, it would have to show that

the kind of cuts it has brought to parliament will increase unemployment in every part of Canada—Atlantic Canada, the prairies, the west coast and in the central provinces of Ontario and Quebec.

In terms of employment, this government has one of the worst records in existence. I say with care—because I do not know for certain, but this can be checked—that if you took a period for the last half-dozen years and compared the record of industrialized countries not pre-industrialized countries, you would find that this government has the worst record in providing work opportunities for the population than any country in the industrialized western world.

Yes, as the former leader of our party has just said, this government is even going to cut back on Manpower retraining programs. This government has a thoroughly reprehensible record. There was not one item in the package the government brought in on Thursday to suggest a specific program to stimulate employment. The package contained some good and a lot of bad. Many of the good parts were accepted by this party and even suggested earlier. Others have been pointed out as being bad and should have been eliminated some time ago. However, the across-the-board cutback on expenditures, meaning good programs as well as bad, means we will have more unemployment in Canada in 1976 than would otherwise have been the case.

● (1410)

One of the reasons the government brought the present bill before parliament was that they had discovered there was a constant increase in the amount required by the public treasury to pay into the unemployment insurance scheme. The reason there has been a constant increase, to the extent of hundreds of millions of dollars, has been the persistent and increasing high levels of unemployment.

What did the government do? Faced with this serious problem of increasing pay-outs which were generated by their own mismanagement of the economy, what they did in the case of unemployment insurance is precisely what they did in their budget cuts of Thursday night—they put the burden of paying the increased cost on the average and low income Canadians. They said that the ordinary people are being unemployed more frequently in Canada, so let them pay for their own misery. That is the full effect of the major amendment that is introduced in this bill, and it is for that overriding reason, as well as a couple of others which I will mention in a minute, that the NDP is opposed to this bill.

As a number of members know, the present act requires that the general revenue funds be used to pay for all unemployment insurance payments beyond the 4 per cent level of unemployment. What the government has done is to amend that and say that instead of the 4 per cent benchmark serving as the point at which the public treasury picks up the cost, they will have a floating average based on the average unemployment for the previous eight years. What this will mean during the coming year is, for example, that instead of the payments being for unemployment beyond the 4 per cent level paid out of general revenue, which comes from corporation taxes and from the income of people who pay taxes into the general revenue scheme, the excess beyond the new benchmark level, which will be in the neighbourhood of 5 per cent to 6 per cent, will be paid for out of the increased premiums paid by the people who contribute to the unemployment insurance scheme, namely, the ordinary workers, the very set of people on whom the government has also just imposed a set of wage controls.

What does this mean in dollars and cents? There are no precise estimates. We have had various ones. The minister responsible for the bill has given a figure of $500 million. The *Financial Post* has provided another estimate of some $800 million. I do not care which figure is the precise one. The case is that we are going to have additional revenue demands imposed on workers in Canada to the extent of $500 million to $800 million in 1976, demands on people whose incomes in the main are below $8,500 because the legislation provides a ceiling of $8,500 beyond which you do not contribute in proportion to your income. It means that ordinary workers, the majority of whom in below the $8,500 category live at or below the poverty level, will have to pay the cost increase brought in by the government which, I say, is in the range of $500 million to $800 million.

If the bill had not been amended, as it is now being amended, that additional load would be borne by corporation taxes and taxes from the income of Canadians at all levels. What this means, in straightforward economic terms, is that average and low income people are having a disguised tax put on them and the people who are above them in income position will get a reciprocal benefit. For that reason, we find that this piece of legislation is extremely regressive. It goes against the principle of sharing responsibility for financial costs in the community in an equitable fashion, and indeed goes against one of the other arguments introduced at the committee stage by the former minister responsible for this act, the Postmaster General (Mr. Mackasey), when he said that by having a 4 per cent ceiling or benchmark at which point Treasury Board would have to pick up the total cost of unemployment insurance, we would have a major incentive built into law which would cause the government to keep unemployment down below the 4 per cent level.

By removing that 4 per cent benchmark and substituting a floating average, we remove that incentive. Given the nature of the present government, it is probably of no great consequence because it did not act as a real incentive with them in the first place. Ever since the present UIC legislation was passed in 1971, as I indicated, unemployment had constantly gone up. At no period did it fall below the 5 per cent level. For those two reasons, both in terms of the fairness of burden in the financing of the unemployment insurance scheme, which my party believes in the main should be a public responsibility because the public policy in our country, as well as in other countries, is the main determinant of unemployment levels, and because the government is backtracking completely on this and putting the burden of financing unemployment insurance on the ordinary working people themselves, we reject this bill.

We reject it, also, because it removes whatever little incentive there was in the act by having a 4 per cent benchmark at which point the government would have had to pay all increased costs. The floating average means that there will be no real prospect of the government accepting

some level of unemployment in our society beyond which we should not permit conditions to get worse.

The other two aspects of this legislation to which we have objected, and on which our party as well as the official opposition have proposed amendments, is the removal of all persons, once they reach the age of 65, from the benefits of the unemployment insurance scheme. Quite apart from the fact that the savings to the scheme by this removal are minimal in dollars and cents, I think it is in principle a wrong and unacceptable idea. The fact is that the majority of people in our country, according to a study which was prepared a few weeks ago for the Minister of National Health and Welfare (Mr. Lalonde), who are at the pensionable age live in poverty. That means the millions of senior citizens who live in poverty and who want to continue to work, not because they have a profound desire to continue doing the kind of work that they are doing, but they want to do so because they have to get the income in order to eke out an existence in Canada, will be deprived of unemployment insurance benefits.

We say it is wrong to say to a man or a woman in our country who is 65 years old and who is compelled to work because of the inadequacy of a private pension or the inadequacy of a public pension, "Thou shalt not work because, in effect, thou shalt not get unemployment insurance benefits if you do work". We in this party cannot understand why the government should have brought in such an amendment to the law. As I say, it saves a pittance in terms of the cost of the scheme, and in terms of what it is saying to our senior citizens with any sense of equity or fairness, it is totally unacceptable.

● (1420)

The third consideration which is of particular importance to members of our party is the removal of the special benefits which accrue to working Canadians who are at the lowest level of the income scale, benefits which enabled them to receive up to 75 per cent of their average income while unemployed. We think it is scandalous, at a time when we have high levels of inflation, to remove this benefit. What we had in the act before the government brought in this amendment was a provision which said that a small number of workers—let us remember that this is a very small category, the working poor—would receive up to 75 per cent of what they earned during periods of unemployment, which meant for most, I suspect, no more than $60 or so per week. They will no longer receive that. They must receive the same level of benefit as the rest of the work force in Canada which is better off. Any party which has any concern for the poor people of Canada, and in this instance the working poor, should not have brought in this kind of amendment. For this reason we cannot accept a bill which contains this kind of provision.

In concluding my comments, this bill symbolizes for us this government's attitude toward ordinary people since it formed its majority in July, 1974. I am not going to trot out, again, all the promises upon which the government has reneged. That has been done in previous debates by the official opposition and by members of my party. All the things the government claimed it would do for ordinary Canadians in the July election of 1974 have totally gone out the window. The package of proposals which was brought in on Thursday night shows a heartless sense of reality and a heartless sense of perspective on Canadian society. The government produced a restraint program which affected virtually every sector of our country and every type of occupation and brought in amendments to family allowances which removed the escalator clauses.

This will mean that the poverty of poor people will be worse in 1976. It means the burden will be transferred to the municipalities and the provinces, who will have to make this up in increased welfare payments because the federal government has neglected its responsibility. This unemployment insurance bill should not be seen as an isolated matter in a package of programs which was otherwise disposed to do something for the average and the poor in this country. Quite the contrary, it is fully consistent with the heartless, indifferent and callous attitude toward ordinary people that we have seen from this government and from this Prime Minister (Mr. Trudeau) since July, 1974.

I hope after the new year, when hon. members on the government side go back to their constituencies and hear the responses from their communities to the cut-backs the government has announced, they will come back with a new attitude. However, I suspect their attitude will not change and that only through the efforts of the opposition in this House in the weeks and months ahead might we be able down the road to have a change in attitude on the part of the government.

When the Prime Minister and his cabinet colleagues, who were basically the same ones we have now, received their majority in 1968, we saw how indifferent the Liberal party could be when it had a substantial majority. It behaved somewhat differently during the minority government. But it is now back to its lofty and arrogant self and the problems of ordinary people are going out the window. Unfortunately, that is likely to remain the situation until the next election, and when the next election comes I will remind the government of what happened in 1972. My hunch is that the change in 1978, or whenever the election comes, will be more substantial than it was in 1972.

Mr. Gillies: There will be no NDP members left.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): In connection with the Unemployment Insurance Act, Mr. Speaker, the Department of Manpower and Immigration published in 1973 a booklet dealing with the new approach of the Unemployment Insurance Commission and its aim which, as summarized in the first pages, was to provide an income on a temporary basis to every insured person who is unemployed and to help him or her to rejoin the labour market. It was a summary of good intentions. And further, it even added: ... its awareness of the problems resulting from emergency payments. It referred to possible emergency payments. If all normal corrective measures proved worthless, a cheque could be issued within 24 hours. It could even be issued within 8 hours through manual processing, and within 4 hours by the head of the district office who is empowered to sign cheques on an emergency basis. Such cheques were not issued very often. The fact that the administration of the Unemployment Insurance Act is lacking in many respects was fully demonstrated in a press release dated October 27, 1975 on Bill C-69, which has been

introduced for second reading in the House. In the first area which will be amended, reference is made to the elimination of iniquities and complexities in the current legislation. The definition of the word iniquity in the dictionary is somewhat short, but quite clear:

INIQUITY: Lack of justice.

So, the government was aware at that time of the many cases of injustice in the administration of the act and regulations.

● (1430)

I am surprised to note that the minister who realizes the cases of extreme injustice resulting from such a complicated legislation has provided as only improvement some amendments on a few important matters, I agree, but which are far from enough. It must be kept in mind that there are still in Bill C-69 provisions which can be considered as cases of extreme injustice. For example, the abolition of benefits, that is making persons of 65 ineligible is an extreme injustice.

The procedures to be followed by individuals who have to quiet their job because of illness have not been amended so as to prevent the petty annoyances of officials about medical certificates. Nevertheless, it is while ill that a person without income needs attention and understanding. Medical certificates will still have to go from the local to the main offices for control purposes, while the person who is ill and without income will have to wait weeks and months before receiving benefits delayed by red tape. These, Mr. Speaker, are cases of extreme injustice that would not occur if this legislation is not amended.

I could give many examples to prove inconsistencies in the administration of the act and regulations concerning the delays of benefit payments in case of illness. One person had to go to a hospital 100 miles away from home; the family physician's certificate is not enough, the specialist who treated the patient must submit a certificate or still the patient has to be examined by an independent doctor chosen by the Commission. Very often, the latter does not want to give such a certificate; he waits for the specialist's file. Add to that the delays caused by the postal strike and other strikes in the public service, and we have an idea of the situation of a sick person without income who has to wait for benefits that do not come.

Bill C-69 provides that in case of illness, a person who has paid enough contributions may renew an application for claim. However, these amendments will again involve a great deal of red tape.

The moment an act states that benefits become payable when someone has to quit work because of illness, if we really want to do away with the flagrant injustices which have already been noted, the act must be ridden of red tape formalities which prevent payment in most cases, the few needless calculations of ten weeks' insurable employemnt during the twenty weeks immediately preceding the thirtieth week. All such formalities should be dropped when it comes to maternity benefits; we ought to remember that the date of birth is never definite and that IUC officials should never render decisions resting on probabilities.

As for ineligibility after four consecutive weeks during which benefits are not payable for every insignificant reason imaginable—I have in mind sections 33(3) and 36(3) of the act—I stress that such excessive injustice penalizes even the applicant who has managed to find temporary work. But that is nonsense. The fact is that we did not refer to that and Bill C-69 does not account for that complexity, that excessive injustice. As I said, for all sorts of reasons, including the four weeks' ineligibility, the claim year is back to square one and the claimant cannot apply for benefits. Nothing has been corrected in Bill C-69. Here is a relevant example which highlights the stupidities inherent in the system.

The commission advises a claimant on January 14, 1974 that a disentitlement period set from November 18, 1973 to January 5, 1974 is terminated. However, by another letter dated February 7, 1974, he is again advised that since his disentitlement period was in effect during the re-established benefit and extended benefit periods, his benefit period is terminated. Even if the commission recognizes that benefits are now available, there is no benefit payable since January 6, 1974. It is easy to see the trick. The disentitlement period is made to last till the re-established benefit period, and then the claimant is advised that he is not entitled to payments according to sections 33(3) and 36(3) of the act.

This is an example of sadism, and there are many like that, whose authors are the technocrats who have elaborated the act in complicity with the public servants who seem to enjoy enforcing it.

Last spring, a group of 123 workers from the Moto-Ski plant, today transformed and headed by Bombardier Transport Ltd, who had been laid off temporarily, were called back to work by plant management. They worked for four or five weeks, then, having been laid off again, made new claims for unemployment insurance. Not one of them was considered eligible. The workers were punished for having agreed to work four weeks for their former employer. Still, nothing had been changed in the act in that regard.

The same thing applies in the case of farmers who are paid a subsidy for keeping their animals. That makes no sense: subsidies are no income. The farmers have animals they cannot sell, the government subsidizes them for the winter. The employees of the commission then say the farmer gets an income, saying the subsidies represent 50 per cent of their income, and reduce the unemployment insurance proportionately or pay no insurance at all. But no changes are made in Bill C-69 in this regard. Yet, we are asked to pass it gaily, happy about it. That is impossible. If the bill is passed by the majority, aware of that or not, it is not fault of mine. But as far as I am concerned, I say Bill C-69 does not include the changes or improvements required by the act of 1971. That is why I am opposed to passing this bill which is not acceptable in its present form.

In this regard, I have another example of stupidity in the application of the act and its rules. A claimant submits his request at the end of November 1972. After four weeks, he gets insurance with the usual delay. In July 1973, he is advised that he is not longer eligible. In August, he is offered a job at Cowansville, but he lives at Notre-Dame, in Témiscouata, some distance away from Cowansville. On

September 17, an inspector has him sign a statement, as always to the advantage of the commission.

During this time, the claimant goes out of his way to find a job. Finally, he gets a job in a sawmill in Notre-Dame. He lived in a community located seven or eight miles farther. He moves his family from St-Elzéar to Notre-Dame since at long last he has a permanent job. The UIC, through the inquirer and other administrative complexities, insists that the amounts deemed to be overpaid be reimbursed.

Finally, a hearing is arranged before the umpire for December 31, 1973. The five issues are considered and have to do with availability at certain periods, job refusal, false declarations, which was defined in the issues involved. The five decisions were rescinded to the advantage of the claimant.

● (1440)

On February 7, the Commission is in contact with the officials who supervise the computer, in order to determine when this period of misery will end for the worker, who has been compelled to request welfare assistance when the officials of the commission devise every possible way to end his payments.

Fortunately that worker is no longer unemployed. He found a job himself after personally looking for one, without the help of the officials of the Unemployment Insurance Commission or the Manpower Centre. They complicated things for him as much as they could. That guy has a family, with all the troubles, and of course he does not have much money, but he managed to find a job which allows him to survive for the moment.

The sections I would like to deal with and about which I still had phone calls this morning, are sections 172 and 173 of the regulations concerning holiday credits. For many years, labour representatives have been making representations to the departments to remove those sections which cause prejudice to those who are unemployed because their work is finished. It is obvious that the technocrats who drafted the bill took the cessation of remuneration rather than the cessation of employment as the basis for the claimant's right. This proves once again that most regulations are based on monetary restrictions. These regulations include all the amounts that can be remitted to an employee on severance.

In 1974, after the administrative reorganization of a snowmobile plant in our area, the firm I alluded to a few moments ago, the 11 foremen who had been employed in this plant from five to ten years received severance pay in addition to their holiday credits. It is obvious that the commission employees who go strictly by regulations extended the waiting period as long as the amounts received at the cessation of employment were not spent.

Some people in the group could become eligible only three months after the termination of their working period. Nevertheless their severance pay was based on the services previously rendered during a period from five to ten years.

This is the type of excessive inequity which is not corrected at all by Bill C-69. Another amendment that could have bad if not revolting effects: the three weeks extension of qualifying period for resignation or refusal of employment. It is proposed to establish the six weeks qualifying period. Obviously it is mentioned in the bill that it is applicable to those who leave their employment without valid reason.

If the implementation procedure were restricted to that group of unstable workers, I should not be against it. However, as I know the usual procedure, I can foresee that things will not happen this way. If a certificate of termination of employment bears the mention "resignation or misconduct", I am sure that a number of civil servants will be pleased to put the file aside for more than two months without pay, two weeks of qualifying period, six weeks of inadmissibility and then, if the claimant is still unemployed, he may have to wait another month or five weeks before receiving any benefits.

I have in hand a copy of a decision made by an umpire following many instances of unemployed workers and their union agent. I think I should quote the ruling of the umpire. Misconduct cannot be presumed, it must be proven and the burden of the proof falls on the board. The sole mention by the employer that there was a violation of some rules or order, like many late arrivals, is not enough. The violation must be substantiated. The sole mention by the employer that the claimant encouraged other employees to go on strike is not enough without any proof of what the employee said or did. Also, we could certainly say that the sole statement by the employer that the claimant is part of a group of employees that caused some damage is not enough without any proof of the extent of the damages.

As the umpire does not have to know whether the strike was legal or illegal, the fact reported above is a normal incident in a labour dispute and does not imply any form of misconduct on the claimant's part. Misconduct has to be personal and there must be conclusive evidence of it. It cannot be inferred from any association with a group.

The board of referees had no valid reason to infer that a regulation had been violated without being aware of the contents or the mere existence of such regulation, and much less to conclude that there had been misconduct without any proof of personal misconduct.

Of course, the appeal was upheld on April 9, 1974.

Here is another case of voluntary termination considered without any justification by the officers of the UIC as a refusal of employment. Here is what the umpire mentioned in his ruling:

> First, in my opinion, the claimant did not leave work without justification since the file states that working conditions did not meet the requirements of provincial legislation. If the fact that the employer did not meet the requirements of the legislation is no justification to leave one's employment, I wonder what a justification should be. In my opinion, it is the most valid justification possible since it is none of the claimant's doing, and it only relates to the employer.
>
> The one week gap between refusal and acceptance of employment should not be sustained as a reason to disqualify the claimant. Employment was accepted before the notice of disqualification was sent out. A citizen has a right to change his mind. To think differently in this case would be displaying legalism, which runs contrary to the spirit of a social legislation.
>
> The appeal is obviously upheld on April 9, 1974.

I quoted two instances which show that the umpire does not necessarily share the opinions of the officers of the commission and the members of the board of referees. But

the serious problem meanwhile in that respect is that the unemployed worker at the end of the line or in some centre, the poor worker has no income. He waits until all formalities have been complied with and his claim reaches the umpire. He sometimes manages to get some social assistance benefits, but it is quite difficult.

I showed in both instances that the umpire does not always share the opinions of the commission's officers and the members of the board of referees, following the decisions of the umpire in Quebec on November 8, 1973 and in Chandler on July 25, 1973. That did not happen in Kamouraska but it happened in other areas of the province.

I would also like to refer to what happened following a decision made by members of the board of referees in Winnipeg, Manitoba, on May 20, 1975, concerning the availability of a claimant from Kamouraska who now works in the Northwest Territories. Following a claim for benefit in due form, the employees of the commission and the members of the board of referees seemed to agree that that person was disintitled because she was previously working in an area that had great possibilities of employment and she had moved in an area where job opportunities were nearly inexistant.

Following various communications and irrefutable proof of the availability of the claimant the commission amended the decisions made previously and benefit payments were authorized for 10 weeks. However, that claimant had filled weekly reports for 22 weeks of unemployment. Something rather funny happened—but to the advantage of the claimant—the computer made payments for 22 weeks, which was followed by a claim by the commission, and in the meantime after looking that claimant found a job. As a result the commission dropped the claim.

This shows the complications of the act and the regulations that are a cause of lengthy delays when it comes to solving a benefit payment problem.

In this case, one must conclude that the rationale of the computer was more logical than that of the officials since the payment was made according to the unemployment reports submitted by the claimant. It will be noticed that I pointed out a lot of difficulties in various sectors in Canada to show the bad results of a far too complicated legislation whose purpose should be to help Canadians in general facing unemployment.

● (1450)

This does not mean that in Kamouraska we are immune from complications generated by a legislation which needs to be revised, and Bill C-69 is far from containing adequate improvements. That is why I am against it. Adoption of this legislation should be postponed and we should take time to study it along with all the difficulties contained in the act of 1971. If there are no sufficient improvements, once again the Minister of Manpower and Immigration (Mr. Andras) will be obliged to write in his releases that the loopholes and the complexities of the act have not been eliminated. Bill C-69 involves amendments to the period of disqualification up to six weeks for claimants who leave their jobs voluntarily. I have referred to that point previously. I know what is going to happen because generally the commission officials listen mostly to the employer's story. If we are not there to help the applicant either go to the board of referees or seek another solution, they make their decision according to the employer's statement. There are many reasons to fire an employee: when the employer wishes to cut back on his staff, he finds several reasons. He may wish to dismiss workers who are expecting a reasonable salary and hire new ones whom he can pay less. This practice is frequent in businesses which have trouble meeting their obligations under the present economic conditions.

Let us pause and reflect: unemployment is not only a word; for tens of thousands of families it is a daily reality; for them unemployment means: no holidays, no leisure, no new clothes, eating the same thing all week, bills piling up. That is what unemployment means. Now, I find it strange that a good many people do not seem to stop and look into the resulting difficulties.

To the government, and the newspapers, the unemployed person is a statistical datum, a percentage, an administrative problem. They talk about unemployment the same way they do about weather. It must be true, because we are about to pass a bill which has not been adequately amended. Today, many workers are in danger of becoming unemployed. The worker who had been employed for 20 or 25 years by Canadian Vickers Ltd. was not spared when that firm shut down. Like the worker who had been employed for 15 years in the shipbuilding yards in Lauzon or the worker who had been employed on the work sites of the Alcan company, he has been the victim of automation. Unemployment affects a very high percentage of Canadians. Students need work in summer time because they must help their families; in the same situation are those who have just graduated from school and who join the labour foce, and do not find any job in their specialties; the worker laid off as a result of the closing of his plant; the skilled worker replaced by a machine as a result of automation; the head of the family who works 4 or 5 months out of 12 in construction; the man from 45 to 55 years of age who cannot find a job because he is too old, etc. The list would be quite long. We are told that we have a responsible government but for us under the circumstances, a responsible government is the one which is free to intervene effectively in the development and management of the economy for the common good. This cannot be unless the party in power is free from any financial limitation of private interests under the system of a truly responsible government. Political parties must at all times be completely subject to the rule of democratic control. What government can state that it is as sensitive to the appeals of the anonymous unemployed as to those of the president of such or such an industrial group?

It is not much fun to be unemployed! The unemployed often wonders who is responsible for unemployment. He knows that his former employer, the government and the politicians have something to do with it, but for the worker aged 35 or 40 who completed only Grade 7, economics and politics remain two great mysteries. He is aware of their outward manifestations, that is price increases, housing, food, taxes, finance bills to be paid, elections, the old parties, projects never completed, patronage. All that makes him sick because no one really cares about him or his problems. He sees that we live in a society where only money, profits and dollars count. However, every citizen, whoever he may be, has an absolute and basic right to

work and his earnings allow man to acquire his independence, which is essential to the status of free man and to the very existence of a democratic system.

Every citizen, whoever he may be, has a right to a guaranteed annual minimum income, whether he gets it through his work or through the state, if he does not work because of a surplus of manpower or because he suffers from a social, mental or physical handicap. He needs this income and, under present circumstances, with the complications that arise because the act has not been sufficiently modified, the victims of unemployment will continue to meet the constant difficulties caused by this overly complex legislation.

In our superstructured societies, economists are given virtually absolute infallibility. To some extent, they are considered the popes of capitalism. They dominate government services. They serve on boards, commissions or agencies. Since the beginning of the industrial era in North America and since the beginning of the quiet revolution in Quebec, they have gained favour with the governments: they are listened to. They enunciate dogmas which greatly influence our social environment, but only a few people take the trouble to closely examine these dogmas and even fewer people dare question them.

However, in the face of the enormous problems created recently by inflation and unemployment, experts begin to wonder. Do economists deserve their reputation of infallibility? Are their dogmas consistent with the facts? It would be in order to discuss some of their theories.

According to one of their dogmas, there would be a relationship between wages and unemployment. Economists with a reputation of soundness suggest that if unemployment rises, pay increase claims will come down. This is contradicted by the facts. Labour unions are not blind. They ask for pay increases as prices rise, and that unending price-wage spiral is hindering productivity increases. Therefore, profits decrease, business declines, some industries close down, and others speedily convert to automation, increasing unemployment.

Unemployment is a good example. Quebec and Ottawa naturally want to fight unemployment, but they have to use public works as expressways, subways, airports and other projects.

But to really fight inflation, governments should forget for a while the rather questionable dogmas of their appointed economists, and in all humility consider steps to develop new infrastructures, to give full employment to the greatest possible number of Canadians. Clearly, economic theories prevalent in the heroic times of frontier development are outdated in our highly urbanized society. We must now reason within the context of an entirely new social structure. On the whole, present dogmas are false. We must therefore consider the situation anew, look at the actual facts and change the act, so that a real incentive is given to Canadians, the greater number of whom are very well inclined.

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I think the House owes a debt of gratitude to the hon. member for Hamilton West (Mr. Alexander) for the very constructive way he has dealt with the problems that are imperative in this bill.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): As we proceed toward a Christmas adjournment, we ought not to forget that this bill puts a heavier burden on many people in the community, such as the elderly and those who would otherwise benefit by the extended benefits, and the change in the benchmark that has occurred by this piece of legislation. These people who are afflicted by this legislation are also the beneficiaries of what can only be termed a breach of trust by this government in terms of providing employment opportunities for Canadians.

● (1500)

Neither should we forget that the program which was announced the other day, ineffective as it is, will do nothing in terms of the psychology which would permit the government, if it chose to exert any leadership, to show leadership to investors in the business community and to others, and give them some hope.

We have before us a piece of legislation which has been debated fully in the House. Parts of it are acceptable to the party to which I belong. Other parts are not. In order to facilitate progress with this matter I would comment to the House the excellent contribution made by my hon. friend from Hamilton West, and ask the government if it is now ready to bring this matter on.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to inform the House that we have been able to curtail the hon. member for Nickel Belt (Mr. Rodriguez).

Some hon. Members: Hear, hear!

Mr. Peters: I shall not try to make the remarks he had intended to make but I will say it was very odd to listen to the last speaker. He damns the government and then, I presume, intends to vote for the bill before us.

Mr. Baker (Grenville-Carleton): Wait and see.

Mr. Peters: I wish to associate myself with the hon. member for Kamouraska (Mr. Dionne) who this afternoon made the case I might have wanted to make in terms of the effects of the bill upon the poorer people of the country. As one who comes from a rural area he is well aware that the abuses which are alleged by members of the Conservative party and members of the Liberal party do not exist, in our experience. The penalties now proposed will hurt the unemployed, those who are seeking work and are unable to find it. Almost all the changes which are to come into effect when this measure is proclaimed will affect such individuals adversely. On the other hand, the sections which might give them some advantage are not being proclaimed at this time.

The adverse effects of this legislation will be added to those of the government's anti-inflation program, the burden of which falls largely on the backs of the poor. We are asking them to carry such a heavy share of the restrictions called for in these programs that it is a disgrace to

the country. If we do not provide employment for many of those who are presently unemployed, we shall be placing a very heavy weight on the municipalities and on the provinces which will become responsible for their welfare. It is true, as the minister says, that the government will pay 50 per cent of that bill. Big deal! What he does not say is that rather than provide employment he is now asking the provinces and municipalities to pay 50 per cent in order that assistance to these people might be forthcoming. The changes now proposed will bring no comfort to many who will find themselves unemployed as a result of government action. It will be a black Christmas for them.

I hope the cabinet will give serious consideration to the whole question of unemployment in the new year, rather than taking the line that, as unemployment becomes worse, the workers should be allowed to carry more and more of the burden. Unless it does, the government will find it has established a class of people who will be united very strongly against it and also, probably, against parliament. These people may, in effect, do something about the situation, and it might not be to the advantage of the country in general. We are certainly creating an atmosphere for that type of action, and from my knowledge of the working people of this country they will only take it for so long.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is that the bill be now read the third time and do pass. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five members having risen

Mr. Deputy Speaker: Call in the members.

The House divided on the Motion (Mr. Andras) which was agreed to or the following division:

(*Division No. 98*)

YEAS

Messrs.

Abbott	Baker (Gander-Twillingate)	Blaker
Allmand	Basford	Blouin
Anderson	Béchard	Boulanger
Andras (Port Arthur)	Blais	Buchanan
Cafik	Gillespie	Martin
Campagnolo (Mrs.)	Goodale	McIsaac
Campbell (Miss) (South Western Nova)	Goyer	Milne
Campbell (LaSalle-Émard-Côte Saint-Paul)	Guay (St. Boniface)	Nicholson (Miss)
Caron	Harquail	O'Connell
Clermont	Herbert	Olivier
Collenette	Holt (Mrs.)	Ouellet
Corbin	Isabelle	Pearsall
Corriveau	Lachance	Philbrook
Cullen	Lalonde	Portelance
Danson	Landers	Poulin
Dionne (Northumberland-Miramichi)	Lang	Prud'homme
Douglas (Bruce-Grey)	Laniel	Railton
Drury	Lapointe	Raines
Duclos	Leblanc (Laurier)	Reid
Dupont	LeBlanc (Westmorland-Kent)	Rompkey
Dupras	Lefebvre	Roy (Laval)
Duquet	Lessard	Sharp
Fleming	Loiselle (Saint-Henri)	Smith (Saint-Jean)
Flynn	Lumley	Stewart (Cochrane)
Fox	MacDonald (Cardigan)	Tessier
Francis	MacFarlane	Trudeau
Gauthier (Ottawa-Vanier)	Mackasey	Trudel
Gendron	Maine	Turner (London East)
	Marceau	Watson
	Marchand (Kamloops-Cariboo)	Young—89

NAYS

Messrs.

Alkenbrack	Hamilton (Qu'Appelle-Moose Mountain)	Macquarrie
Baker (Grenville-Carleton)	Hargrave	Malone
Balfour	Hees	Mazankowski
Beatty	Huntington	McGrath
Broadbent	Jarvis	McKinley
Cossitt	Johnston	McKinnon
Crouse	Kempling	Muir
Dionne (Kamouraska)	Knowles (Winnipeg North Centre)	Munro (Esquimalt-Saanich)
Douglas (Nanaimo-Cowichan-The Islands)	Lambert (Bellechasse)	Nystrom
Ellis	La Salle	Oberle
Fairweather	MacDonald (Egmont)	O'Sullivan
Firth	MacKay	Paproski
Forrestall	MacLean	Patterson
Gillies		Peters
Halliday		Stanfield
		Symes
		Whittaker—45

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

Mr. Breau: Mr. Speaker, I should like the record to show that I was here present, but chose not to vote.

* * *

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT

MEASURE TO AMEND VARIOUS STATUTES TO PROVIDE FOR CHANGES IN PENSION, CONTRIBUTIONS, BENEFITS, ETC.

The House resumed, from Friday, December 19, consideration of Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, as reported (with amendments) from the

Special Joint Committee on Employer-Employee Relations in the Public Service, and of Motion No. 1 (Mr. Chrétien).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as I indicated yesterday, I feel there is a point of order that should be raised in respect of several, indeed almost all, of the nine report stage amendments that have been put down with respect to Bill C-52. Lest my friends around the House get the notion that, because I refer to nine report stage amendments, I am going to make nine speeches on procedure, let me assure them that I am going to condense them all into one.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): It is wonderful what the Christmas spirit will do. One does hesitate at this stage of a session to raise a procedural argument, but rules are rules and it seems to me they should be observed.

I have in mind a rule that is frequently quoted and applied when members of the opposition seek to do what these amendments aim to do today. I hope, therefore, that the same strict application of the rule that is applied to opposition members of the House will be applied today to the government. The rule I have in mind stems from the rule of relevancy and, in particular, it gets down to this, that when there is before the House a bill that amends an act, it is clearly established that amendments to that amending bill must be relevant to the bill, must deal with matters that are in the bill. In other words, if one tries to put into an amending bill a clause that will have the effect of going behind the bill to the act itself, a clause that in effect tries to amend the act in particulars that are not before us, such amendments are out of order.

● (1530)

If I may go through the nine motions at one time, may I point out that motion No. 1 in the name of the President of the Treasury Board (Mr. Chrétien) seeks to amend section 2 of the Public Service Superannuation Act.

Mr. Speaker: I hesitate to interrupt the hon. member, but may I save him and the House some time by indicating that on examination of the nine motions which propose to amend the amending bill at this stage, only motion No. 3 would appear to have some claim to validity. It would appear that the remaining motions are directed to the statute. That is subject to arguments in their defence, but I only want to caution the hon. member for Winnipeg North Centre (Mr. Knowles) that he should not spend a great deal of time developing that argument. That is the initial reaction of the Chair. I may be persuaded otherwise by representatives of those who put forward the amendments, but basically we must start from the premise that eight out of the nine amendments appear to go beyond the amending bill and directly to the statute, which would offend a principle that is well established and that has been alluded to by the hon. member. The question is, where do we go from here?

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe I still have the floor. I welcome the comment that you have just made. It will greatly shorten my remarks because I have come to precisely the same conclusion, namely, that possibly a case can be made for motion No. 3, but I see no possibility of a case being made for the other eight motions.

It did strike me that it would be useful to put on the record very quickly what they do. As I say, motion No. 1 seems to amend section 2 of the Public Service Superannuation Act which is not before us. Motion No. 2 is consequential upon motion No. 1, and if motion No. 1 falls, so would motion No. 2.

Motion No. 3 seeks to add something to an amending clause which is in the amending bill, which calls for a Governor General's recommendation, and we now have that, so it would seem to be all right.

Motion No. 4 seeks to amend section 31(1) of the Canadian Forces Superannuation Act, whereas that subsection of section 31 is not before us.

Motion No. 5 likewise seeks to amend section 31(1) of the Canadian Forces Superannuation Act, but only section 36 is before us at that point.

Motions Nos. 6, 7 and 8 all attempt to amend the Members of Parliament Retirement Allowances Act, and I suggest that these motions are doubly offensive to the rules in that they go beyond what is before us in the amending bill, and they would also involve an expenditure of money, and I see no Governor General's recommendation attached to these motions.

Motion No. 9 seeks to amend section 4 of the Supplementary Retirement Benefits Act, but only section 6 of that act is before us.

May I emphasize that in all these cases it is not just that an attempt is being made to amend a section of the act that is not before us, it is not just a numbers game, but rather that in all cases the motions introduce something that is new in susbstance to what is before us in the amending bill. Therefore it seems to me that if the rules are to be observed, the initial comment that you have made should stand, that although a case could be made for motion No. 3, a case cannot be made for the other eight. With respect to some of them—and at this point I am refraining from any points of substance—it seems to me they are desirable amendments and the House might be willing to give consent to waive the rule about notice. But of course when we come to those that involve an extra expenditure of money, without there being a Governor General's recommendation, I do not see how the House could waive that rule, not even by leave.

May I point out that in the special joint committee to which Bill C-52 was referred all of these amendments were proposed by the parliamentary secretary. I am sorry, those which are now proposed by the President of the Treasury Board were proposed by his parliamentary secretary, and on some points he argued that they did not involve the expenditure of money. At any rate, now that they are recommendations of the Governor General, my concern is to have it established that it is not possible to correct one abuse by another.

● (1540)

If these amendments offend against the ruling that we cannot go behind the bill to the act, surely it is not

possible, just because hon. members are on the government side, to get around that by putting down the recommendation of the Governor General. This, it seems to me, is an important rule. It was applied to at least one of the report stage amendments in the bill we have just been considering with respect to unemployment insurence. I think it should apply here. The House may find some way to get around these things, but surely the case is clear. I support the view Your Honour has taken that all but No. 3 should be ruled out of order, it being up to the House to decide where we go from here.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, the government is not disposed to quarrel particularly with the arguments put forward by the hon. member for Winnipeg North Centre (Mr. Knowles) or to question the judgment Your Honour has tentatively put forward, namely, that all except the third one of these motions would be out of order on one ground or another—those proposed by the President of the Treasury Board (Mr. Chrétien) on the ground of irrelevancy, and those proposed by the hon. member for Bellechasse (Mr. Lambert) on other grounds. I do hope, however, that it would be possible that an explanation be given to the House of the purpose of these amendments so that we could seek leave of the House to proceed with those motions, which otherwise would be out of order on the ground of irrelevancy, by unanimous consent.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to associate myself with the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) with respect to the relevancy of these particular amendments. I agree with his argument and that of Your Honour. I wish to indicate to the government House leader that the suggestion the hon. member for Winnipeg North Centre made with respect to the ability of this House to deal with these matters is acceptable to us.

I am not sure what Your Honour will have to say with respect to an explanation of some motions and some clauses about to be ruled out of order. I am not sure of that, but in order to expedite the matter, we do support the argument which the hon. gentleman from Winnipeg North Centre made. It was made clearly in committee and the precedents for it are well established. If we can find a way to accommodate the government House leader's desire to have an explanation of the clauses about to be ruled out of order, I welcome that, but it is not necessary.

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I should like to offer some explanations with respect to the motions before us in the name of the President of the Treasury Board (Mr. Chrétien).

The first motion is required to clarify the definition of "salary", as a result of questions raised in a recent case in the Federal Court. The new definition does not affect the special types of payment to which the court decision applied, as such payments are no longer being made. The new definition and the related regulation making power are proposed simply for clarification purposes to confirm its present application in other regards.

As has been indicated, motion No. 2 is required as a result of the amendment proposed in the new clause 2(1). It is consequential.

Motion No. 3 inserts a new subclause (3), which will extend benefit coverage under the Public Service Superannuation Act, the Government Employees Compensation Act, and the Aeronautics Act to the members of the staff of the Parliamentary Centre for Foreign Affairs and Foreign Trade. The former subclause (3) is re-numbered (4), and a consequential amendment is made to include reference to the centre.

With regard to motion No. 4, the new subclauses (1) and (2) are proposed in order to extend coverage under the Supplementary Death Benefit Plan to certain members of the reserve force of the armed forces of Canada in the category described, a number of whom are serving in the Middle East. Under that plan life insurance coverage equal to the salary of the participant is provided.

Motion No. 5 again is consequential to the previous amendment, an extension of supplementary death benefit coverage to members of the reserve force proposed in clause 45. These members currently are protected by a death benefit of two months' pay under regulations made under the National Defence Act. This amendment will not increase the cost to the government in that respect.

The last motion I should like to comment on is motion No. 9. This motion inserts a new clause 104 and re-numbers the present clauses 104, 105, and 106 as 105, 106, and 107.

The new clause 104 is proposed to permit the Governor in Council or the Treasury Board, as the clause provides, to resolve the anomalous situation whereby many longservice employees whom the government wishes to retain can lose prospective pension benefits if they remain employed after years such as 1975. This loss occurs because the level of such employees' basic pensions on retirement in 1976 or later will not be enough to bring them up to the level of the indexed pensions which they would have been receiving following retirement in December, 1975, with basic pensions which would be increased by 11.3 per cent in January of 1976.

The joint parliamentary committee reviewed this problem, and while it was not empowered to make a specific recommendation, it discussed at some length an approach whereby any such employee would be given a guarantee against a lower ultimate pension level if he or she remained in employment one year or less after he or she passed the peak of the pension build-up. Treasury Board approval for extension of the guarantee into the second and later years was contemplated under that approach.

While the government initially was inclined to favour that approach, it was decided to require approval of the guarantee by the Governor in Council or Treasury Board, as appropriate for the first as well as for the second and subsequent years. The retention of the present inducement to retire in the majority of cases will facilitate the government's objective in restricting the growth of the Public Service and reduce the number of cases in which employees might otherwise have had to be laid off.

With these explanations, I hope that the purpose of the motions in the name of the President of the Treasury Board will be clear to the House.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I understand very well the explanations given a moment ago by the hon. member for Winnipeg North Centre (Mr. Knowles) and it is not the first time since I came to this House that we are faced with such a problem.

I also understood that the President of the Privy Council had considered suggestions made to find a way to amend the rules to allow some amendments to bills, provided the House agrees.

We have been asked, Mr. Speaker, to give a few explanations about the motions. As far as Motion No. 6 is concerned, as all hon. members know, there are two retirement pension plans for Members of Parliament and senators.

In 1970, hon. members had been given a time limit to decide which plan to adhere to, either the established one or the new one. Since a number of members have not chosen yet, this amendment proposes to extend in a way the permission given in 1970 to allow a member to choose the new plan while he is still a member of this House.

The other amendments are added to that one to allow officials to administer the program as suggested in motion No. 7.

Those are the only explanations I can give on the matter because, after all, reading the act governing members of Parliament pension plan is all one needs to understand. No special provisions are added. It is simply recognition of a legislation for all members of Parliament who wish to benefit from it.

● (1550)

[*English*]

Mr. Speaker: Order, please. The situation seems to be rather clear, and motion No. 3 is not in any procedural difficulty.

In respect of motions Nos. 1, 2, 4, 5 and 9, notwithstanding that they are accompanied by a Royal recommendation these motions appear to go beyond the amending bill and attempt to get at the statute which the present bill seeks to amend. Clearly, they could not be dealt with at this time, or for that matter at any time, I suggest, without the consent of the House.

Finally, motions Nos. 6, 7 and 8 in the name of the hon. member for Bellechasse (Mr. Lambert)—

[*Translation*]

—motions Nos. 6, 7 and 8 in the name of the hon. member for Bellechasse cause some problems. First, they propose the spending of money and the unanimous consent of the House is not enough to overcome the difficulty. Moreover, those motions seek to amend the act itself and not Bill C-52.

Yet there is no such recommendation from His Excellency, and motions Nos. 6, 7 and 8 involve an expense of money. Then, they require not only the unanimous consent of this House but also the recommendation from His Excellency.

In the absence of this recommendation, it is therefore impossible to put those motions now.

[Mr. Francis.]

[*English*]

First of all, motion No. 3 does not require the consent of the House, and motions Nos. 1, 2, 4, 5 and 9 can only be dealt with at this time with the consent of the House. I might ask now, does the House consent to deal with those motions which are before it in those numbers at the present time?

Some hon. Members: Agreed.

Mr. Peters: Mr. Speaker, I do not withhold consent, but I should like to enter a caveat with the House leader that this has happened four or five times during this parliament. The other day a bill was brought in that was out of order; now with the government's knowledge these items are out of order. It seems to me that if it were not for the foresight the other day of the hon. member for Edmonton West (Mr. Lambert) and of the hon. member for Winnipeg North Centre (Mr. Knowles), and of the hon. member for Winnipeg North Centre again today, this House would have had a situation perpetrated upon it that many of us are not capable of discerning ourselves.

An hon. Member: Particularly the cabinet.

Mr. Peters: My colleague says even the cabinet. I presume there are members of cabinet who do know this today, but did not know it the other day.

I suggest that the day may come when no one can bring these circumstances to Your Honour's attention. It seems to me we have members of a very sloppy civil service addressing themselves to this problem, or else they are trying to take advantage of or abuse their responsibility to parliament.

While I am prepared to give consent, I certainly hope that the President of the Privy Council (Mr. Sharp) will see that this does not happen again. It happened with supply, and it happened with this bill with the knowledge of some of the privy councillors. As a member of parliament I expect our civil servants to be more responsible and know what they are doing. If they do know what they are doing then it looks as if they are trying to put something over on somebody. That is not their role and not their responsibility.

Your Honour should not be put in the position of having to make decisions which affect the government and the operation of parliament very seriously and of having to rule on these matters which should not arise at all. That they have arisen in the last several weeks on a number of occasions indicates neglect at some level. We have appreciated Your Honour's indulgence and decisions in these matters, but I think the President of the Privy Council should have his fingers rapped for not having made sure that the civil service did not present things that were not covered by the Royal recommendation, and that other matters are not in order. I will give consent this time, but I think everybody is being put upon by the civil servants when they prepare this kind of legislation.

Mr. Speaker: May I say again that motions Nos. 1, 2, 4, 5 and 9 can only be dealt with upon the unanimous consent of the House. Is there unanimous consent that those motions be put forward at this time?

Some hon. Members: Agreed.

[*English*]

Mr. Speaker: Is it the pleasure of the House to adopt motion No. 1 moved by Mr. Chrétien?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on another point of order—it is not the pleasantest point of order to raise and I raise it with the greatest respect for the hon. member for Ottawa West (Mr. Francis), the Parliamentary Secretary to the President of the Treasury Board. This bill is a very important, heavy in some aspects, and a very contentious matter. The bill is in the name of the President of the Treasury Board (Mr. Chrétien) but he did not speak on it at second reading, he did not appear once before the special joint committee, and he is not here today.

Some hon. Members: Shame!

Mr. Knowles (Winnipeg North Centre): As I say, I have great respect for the job that the hon. member for Ottawa West did, but surely the President of the Treasury Board ought to be here.

Some hon. Members: Hear, hear!

Mr. Speaker: In any case, the question before the House at this time is on motion No. 1 standing in the name of the President of the Treasury Board. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion No. 1 (Mr. Chrétien) agreed to.

Mr. Speaker: The question is therefore on motion No. 2.

Hon. Mitchell Sharp (for the President of Treasury Board) moved:

Motion No. 2

That Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be amended in Clause 21 by striking out line 31 at page 17 and substituting the following therefor:

"have received during that absence;

(b.2) deeming, for the purposes of the definition "salary" in subsection 2(1), the amount in respect of allowances, special remuneration, payment for overtime or other compensation or annual gratuity, if any, that is to be or to have been included in the basic rate of pay of a person;".

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

Some hon. Members: Agreed.

Motion No. 2 (Mr. Chrétien) agreed to.

Mr. Speaker: Motion No. 3 is also in the name of Mr. Chrétien. May I presume that hon. members have before them the text of the motion and that they are familiar with it because it is rather lengthy and complicated. Is it necessary to read the details of the motion or shall I dispense?

Mr. Forrestall: On a point of order, Mr. Speaker, I wish to make a brief observation. Perhaps Your Honour had better put motion No. 3. I wanted to speak briefly on motion No. 3 and I do not know whether you have put it or not.

Hon. Mitchell Sharp (for the President of Treasury Board) moved:

Motion No. 3.

That Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be amended in Clause 28 by striking out lines 43 to 50 at page 22 and lines 1 to 4 at page 23 and substituting the following therefor:

"service of Canada.

(3) the Governor in Council may add to Part II of Schedule A to the *Public Service Superannuation Act* the members of the staff of the Parliamentary Centre for Foreign Affairs and Foreign Trade—Le Centre Parlementaire pour les Affaires éstrangères et le Commerce extérieur (hereinafter called "the Centre") and forthwith upon the addition thereof

(*a*) the Centre shall be deemed to be a Public Service Corporation for the purposes of section 25 of the *Public Service Superannuation Act;*

(*b*) the *Government Employees Compensation Act* shall apply to the members of the staff of the Centre and, for the purposes of that Act, such persons shall be deemed to be employees in the service of Her Majesty; and

(*c*) for the purposes of any regulation made pursuant to section 7 of the *Aeronautics Act*, the members of the staff of the Centre shall be deemed to be employees in the public service of Canada.

(4) The Governor in Council may, by regulation, provide that the service of an employee of the Institute, the Society or the Centre in respect of which contributions have been made in anticipation of the addition to Part II of Schedule A to the *Public Service Superannuation Act* of the Institute, the Society or the Centre may, to such extent, at such level of remuneration and subject to such conditions as the regulations may prescribe, be counted by that employee as pensionable service for the purposes of Part I of that Act. " .

● (1600)

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I speak briefly on motion No. 3? It incorporates the parliamentary centre as a public service corporation. Members of this House and of the other place have used the services of the centre for the last eight or ten years. I want to pay tribute to the centre, and motion No. 3 recognizes the wonderful service it has rendered to members of both Houses.

Some hon. Members: Hear, hear!

Mr. Speaker: Is it the pleasure of the House to adopt motion No. 3?

Some hon. Members: Agreed.

Motion No. 3 (Mr. Chrétien) agreed to.

Mr. Speaker: The question is now on motion No. 4. May I again be assured that hon. members have before them the text of the motion and are familiar with its terms.

Hon. Mitchell Sharp (for the President of Treasury Board) moved:

Motion No. 4.

That Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be amended in Clause 45 by striking out line 43 at page 38 and substituting the following therefor:

"45. (1) The definition "participant" in subsection 31(1) of the said Act is amended by adding thereto, immediately after paragraph (*a*) thereof, the following paragraph:

"(a.1) a member of the reserve force who is on full time service, with the approval of the Chief of the Defence Staff, in a position in a regular force establishment or as supernumerary to a regular force establishment;"

(2) All that portion of paragraph (*a*) of the definition "salary" in subsection 31(1) of the said Act preceding subparagraph (i) thereof is repealed and the following substituted therefor:

"(*a*) in the case of a participant who is a member of the regular force or a member of the reserve force described in paragraph (a.1) of the definition "participant" contained in this subsection, the greater of"

(3) Subsection 31(3) of the said act is"

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

Some hon. Members: Agreed.

Motion No. 4 (Mr. Chrétien) agreed to.

Mr. Speaker: The question is on motion No. 5. May I ask if all members have the text of the motion available to them and are familiar with its terms?

Hon. Mitchell Sharp (for the President of Treasury Board) moved:

Motion No. 5.

That Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be amended by striking out line 44 at page 39 and substituting the following therefor:

"42(1)(d.1) and (d.2)."

46.1 Paragraph 37(1)(b) of the said Act is repealed and the following substituted therefor:

"(b) one-sixth of the benefit paid in respect of each participant who, at the time of death, was a member of the regular force or of the reserve force, for which benefit contributions under this Part were payable by him at that time;" ".

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

Some hon. Members: Agreed.

Motion No. 5 (Mr. Chrétien) agreed to.

Mr. Speaker: The question now is on motion No. 9. May I ask if all hon. members have a copy of the text before them and are familiar with its terms?

Hon. Mitchell Sharp (for the President of Treasury Board) moved:

Motion No. 9.

[Mr. Sharp.]

That Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act, be amended by

(a) by striking out lines 12 to 14 at page 76 and substituting the following therefor:

"104. Section 4 of the *Supplementary Retirement Benefits Act* is amended by adding thereto the following subsection:

"(5) Notwithstanding subsections (1) and (4), but subject to section 5, the amount of the supplementary retirement benefit that may be paid for a month in any year to a recipient in respect of whom the retirement year determined pursuant to subsection (3) is 1976 or a later year shall be not less than the difference obtained by subtracting the amount of the pension that may be paid to him for that month in that year from the aggregate of the supplementary retirement benefit and maximum pension that would have been payable to that recipient for that month in that year, other than pursuant to this subsection, if the retirement year of the recipient had been such earlier year, being a year after 1974, as is determined to be his retirement year by

(a) the Governor in Council, in the case of a person to or in respect of whom the pension is payable on ceasing to hold an office to which he was appointed by the Governor in Council; and

(b) the Treasury Board, in the case of a person other than a person described in paragraph (a).

105. Section 6 of the said Act is repealed and the following substituted therefor:"

(b) renumbering present Clauses 105 and 106 at page 78 as Clauses 106 and 107, respectively.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I say a few words on motion No. 9? I realize that there has been no response to my point of order of a few minutes ago. Although the President of the Treasury Board (Mr. Chrétien) is still absent, I hope he will be available before this debate is over.

This proposed amendment, as the Parliamentary Secretary to the President of the Treasury Board (Mr. Francis) suggested, seeks to resolve an anomaly which has developed recently. I agree that it needs to be resolved. This motion does it, but in a way extremely beneficial to retiring public servants at the top of the salary ladder.

This situation has arisen because some public servants near the top of the salary scale realized one year ago, last December in fact, that if they retired in December and took their pension, their pension would be escalated in January by more than 10 per cent and, in this way, they would begin drawing a higher pension than would have been available to them if they had worked until January or February. Some of those public servants not only retired in December in order to obtain higher pensions than would have been available if they had retired in January or February, but they obtained contracts to work for the government while on pension. That seems to me to be an abuse, but it happened in a number of cases.

The proposal being made in motion No. 9—and it is up to the Governor in Council to determine whether this practice is to be carried through—is this: if a person in his retiring year could have obtained a higher pension by retiring the previous December, he is to get the higher pension. In other words, the person retiring in March or April, 1976, will get a higher pension than he otherwise could obtain in March or April, 1976; he will get it by virtue

of the application of this rule. As I say, this came about because of the things I described, which happened about one year ago.

I hear a comment which is probably not on *Hansard*. I do not intend to put names on the record.

Word of what happened has got around and there is now a great deal of interest in it, not only on the part of senior public servants, the $50,000 or $60,000 a year fellows, the nabobs we heard mentioned in the last few days, but on the part of those at the lower levels. I have received communications from letter carriers and employees at that level, who realize that if this provision goes through they can get, in February or March, 1976, a pension 11.3 per cent greater than they would otherwise get. But for this bill, the pension they would get in the spring would be just a few cents higher than the one they could get by retiring in December; but, because they could get the 11.3 escalation if they had retired in December, they are to get that escalation. Therefore they hope that this measure will go through. In some cases the amount of money is not large, but it means something to them. I am sure this is not being done for them. It is being done for those at the top, who I think have abused the situation.

I notice that the government is somewhat aware of this, because in another bill which I will not mention since it caused some trouble this morning, there is a clause to put a ceiling, in 1976, of $2,400 on the increase in any pension that a person may receive. Imagine that! Lots of people in this country will never see a $2,400 pension, but we are saying that no pension of any retired civil servant shall increase in 1976 more than $2,400. I mention this to suggest that if we are to put this principle into effect in this bill, there ought to be a ceiling.

There is another defence for it which I am prepared to advance, and my defence will let me accept it. It is this: in recent years the escalation of salaries has been so great that the use of the six-year average for calculating public service pensions has become out of date. I tried, in committee, to argue in support of the three-year average; the President of the Treasury Board was not there to argue the point, but my argument was not adopted. This measure will make it up for the little people. It provides that in the next year or two they will be paid better pensions than would be available to them under the six-year average rule.

It seems to me that we should have attempted to block what some highly paid public servants did last December. Instead, we are regularizing it, and producing conditions which will be particularly beneficial for those in upper income levels.

In my view, rather than adopting the present device, we ought to have examined more thoroughly the entire question of the six-year average relating to pensions. As the parliamentary secretary suggested, whether or not this device will apply in certain years will depend on the Governor in Council. When we add this provision to some of the other things contained in Bill C-52, perhaps hon. members will understand the views which my party and I hold on the bill as a whole. When we come to a problem like this, instead of dealing with its root and providing a solution which is best for everybody, this government solves it mainly for the benefit of those at the top.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I noted that the parliamentary secretary was about to rise, and I wanted to make sure he did not close the debate, as he seems to be representing the President of the Treasury Board (Mr. Chrétien). When he speaks I hope he can clarify something. I understand from what the parliamentary secretary said that in no case will passage of this measure result in a public servant's receiving a higher pension than he would have received if he had retired before the end of the fiscal year and obtained an escalation. That was not clear when the hon. member for Winnipeg North Centre (Mr. Knowles) spoke. Perhaps, unintentionally, he left the impression that this measure would confer some favour on public servants. It is my impression that the favour has already been conferred on them. As a result they have a substantial inducement to retire in order to protect the benefit that has been conferred on them. The purpose of this amendment will not be to confer a greater benefit but to ensure they do not lose this benefit by continuing to work. I would just like that assurance.

● (1610)

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the President of the Treasury Board (Mr. Chrétien) has been in and out of the House for most of the day. I know he regrets he is not here at this time. He asked me to take responsibility for this bill at the second reading and committee stage.

I am happy to make some comments which I hope will answer the points that have been made. First, with regard to the point made by the Leader of the Opposition (Mr. Stanfield), he is quite right in his interpretation. The bill would not permit any pension to be escalated beyond the maximum of two calculations.

A person on whose behalf the government chose to exercise discretion would be allowed to continue into the new year, retire on the normal retirement date, and then calculate two sums. One is the amount which would be his or hers in the normal course of events and, two, the amount he or she would have received had he or she retired on December 31 and taken the 11.3 per cent escalation. In no case could he receive more than the greater of those two. I think that answers the point of the Leader of the Opposition.

I wish now to deal with the points raised by the hon. member for Winnipeg North Centre (Mr. Knowles). The hon. member has been interested in pensions for some time in this House. He has been among those who pressed most vigorously for full escalation according to the cost of living.

One of the anomalies that has developed in the course of the period of time we have been facing inflation is a very serious discrepancy in the December 31 retirement date as against those who could work up to 11 months later and receive less. If the inflation continues long enough it will wreck any pension plan that has been devised. If the inflation continues and we have something like 11.3 per cent escalation every year, the Supplementary Retirement Benefits Act will be under a very serious strain in terms of the money at its disposal and the obligations on the fund that has been created.

The review of the pension legislation by the committee was very extensive. We had technical witnesses and representations from outside organizations. There was no attempt to curtail discussion. Members present may not have liked the answers they received, but I believe they will concede we at least tried to answer their points.

In looking at the operation of the pension fund, two points must be considered. The first is a very much enlarged liability as a result of the escalation provisions; second, an increase in income as a result of the greater amount of interest which is credited each year with the average yields which have risen under the formula applied by the government. It is impossible to predict what the ultimate outcome will be. The increase in yields started at 4 per cent and is currently in the area of 7 per cent. This has provided a measure of protection within the financial arrangements that exist.

There is no question that this House and subsequent governments will have to look at the very serious problem of what happens to the operation of an unlimited escalation formula without any cap on it whatsoever. It is my hope and belief that, with the adoption of this amendment, the government will develop a policy for subsequent years which would be able to indicate who can expect, on request, to continue beyond the normal date of escalation.

No civil servant is losing anything by the adoption of this formula. The rights which they have now for December 31 retirement are still there. Those who have planned their retirement will no doubt make the plans they have anticipated over a period of time. The operation of this amendment attempts to bring some degree of rationality in a number of cases in respect of the very anomalous situations that have developed whereby a civil servant will get a greater pension by retiring prematurely on December 31.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to ask one facetious question with regard to the retirement of members of parliament. Can the Parliamentary Secretary to the President of the Treasury Board (Mr. Francis) assure us that from now on elections will be held in December, as the retirement fund of some members may not be as high in January, February, or later? The terms the parliamentary secretary has outlined will not likely apply to the members of parliament pension retirement fund, but the effect would be the same as for the escalator clause which, in effect would be applicable.

Mr. Francis: Mr. Speaker, no doubt minority governments will take heed of the advice offered by the hon. member for Timiskaming (Mr. Peters).

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to make one comment. The Royal recommendation suggests that this act is intended to provide equality of status for males and females under the Public Service Superannuation Act. I suggest that this takes one step in the direction of providing equality. I would not like the moment to go by unrecorded that this was a full equalization between the males and females.

The step it does take is worth remarking. It makes equality of the contributions to the superannuation fund by male and female employees of the public service. The one area where it does not provide equality for males and females is the survivor aspect. If, for example, the survivor who is not the contributor should be drawing 50 per cent remarries, she loses her superannuation. This does not provide full equality. The fact should be recorded in *Hansard*.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion No. 9 (Mr. Chrétien) agreed to.

Mr. Sharp (for Mr. Chrétien) moved that the bill be concurred in.

Motion agreed to.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order.

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

Mr. Lambert (Bellechasse): Mr. Speaker, I simply would like to take this opportunity to draw the attention of the President of the Privy Council (Mr. Sharp) on the requests contained in the amendments I have proposed.

Mr. Speaker: The hon. member has simply to wait till the motion on third reading of the bill is put.

[*English*]

When shall the bill be read a third time?

Some hon. Members: By leave, now.

Mr. Sharp (for Mr. Chrétien) moved that the bill be read the third time and do pass.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, as I said a moment ago, I simply want to draw the attention of the President of the Privy Council (Mr. Sharp) on the nature of the amendments I moved. Since there are two points subject to revision and that cannot be done by a member of the House, it must absolutely come from the government's side. I would like to request from the President of the Privy Council that he bring these questions to the attention of his colleagues in the cabinet, when amendments to the acts we have discussed in the light of Bill C-52 will be presented again, and that the considerations I offered to the House be taken into account.

● (1620)

[*English*]

Mr. J. M. Forrestall (Dartmouth-Halifax East): I wish to make a few brief comments, Mr. Speaker, on Bill C-52 at third reading. I must say I thought the observation by the parliamentary secretary, that this matter had been before the House and before the appropriate committee for a sufficient length of time to warrant an assumption that the appropriate attention had been given to it, was scarcely

well founded. This bill could very well have been before us for the last eight to ten months. Indeed it should have been in front of us so that the attention that the complexity of the clauses demands could have been given to it.

As we have made clear, both in committee and on second reading, the bill is deficient in a wide number of areas. I do not want hon. members to leave this Chamber believing we have done wonders for those who fall within the ambit of the act. We have not. The act is still full of anomalies and examples of discrimination; the hon. member for Esquimalt-Saanich (Mr. Munro) has just called attention to one of them.

While we welcome the move on the part of the government to clear up some of the anomalies, particularly those as between the sexes, we feel constrained to point out that all the anomalies have not been cleared up by a long shot. I might mention the concern felt by my hon. friend from Edmonton West with respect to the so-called gold-digger clause. A woman spends 20 years living with a man, leaves him because she finds he is with someone else—it may be for only three years—and then discovers she has lost benefits to which she had been entitled. This is only one of 23 areas which have been identified by members of the New Democratic Party and by members of the Official Opposition on second reading and, particularly, in committee. They require the attention of the government in the immediate future.

Mr. Baker (Grenville-Carleton): Ongoing consideration.

Mr. Forrestall: That is the phrase. They require ongoing consideration. Time and time again we put forward serious amendments in areas where action should have been taken a long time ago. But we were under the hammer, subject to the firm direction of the parliamentary secretary that there would be no amendments imported into the bill which did not fall within the narrow recommendation which accompanied it.

I suggest the recommendation was deliberately made narrow in order to preclude an attempt by members to secure necessary changes in a number of areas. For example, there is the question of the benefits which accrue to widows and so forth. Then again, there is the so-called 85 rule with respect to members of the Canadian Armed Forces. This is an anomaly which should not be permitted to continue. Yet it does. We discussed some 30 amendments. The government put forward 21 or 22 amendments. They have gone a long way toward clearing up some of the anomalies with respect to pensions.

I do not intend to discuss in detail the areas which need further examination, or to identify them. I will simply say to the parliamentary secretary that we compliment him on the way in which he has handled this bill, and we recognize that the restrictions imposed on members of this chamber in terms of their ability to correct some of the ongoing hardships affecting the people concerned are not his doing but that of his minister.

I echo the comments made with respect to the absence of the minister, and close by indicating that passage of this bill does not mean that members of this House are in any way satisfied that we have done an honourable or a good thing for our superannuates in the Public Service of Canada, because we have not. I trust this feeling is shared by members on both sides of the Chamber. The least which would be acceptable to us this afternoon would be an indication from the President of the Privy Council (Mr. Sharp) that he intends to look into the anomalies and conflicts which continue to exist, causing downright hardship in some cases. We welcome the amendments to the degree that they do effect certain changes in the act, but we would have welcomed an indication from the minister himself as to the government's intentions, particularly in the light of the restraint program and the attitude taken by himself and his colleagues toward spending programs over the next two or three years.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is a bill which has presented my colleagues and me with a certain amount of difficulty, and I trust this will be understood by those who are familiar with what is in it. There are some things in it which are not only good but have a quality of urgency about them.

Perhaps the most urgent item is the provision under the heading "Equality of Status" which appears several times in the bill. I think it is a misnomer; it is almost a joke, because all it provides is equality at death. The so-called equality between male and female contributors is just that. The bill provides that a female public servant at death will leave the same survivor benefits as a male public servant. That is hardly the kind of equality International Women's Year is all about.

Mrs. Campagnolo: Better than nothing.

Mr. Knowles (Winnipeg North Centre): The hon. member for Skeena (Mrs. Campagnolo) says it is better than nothing and she is perfectly right. But I hope that for some of us death is still so far off that we shall see equality of status in life, not just equality at the point of death.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): This bill gives a female public servant the right to leave survivor benefits equal to those a male public servant can leave. From here on, female public servants will be paying for that right by contributing the same rate of premiums into the fund as a male public servant does. I said there was some urgency about this provision. This is because only those public servants who are in the public service, on strength, when this bill becomes law will be covered by it.

● (1630)

In other words, if a female public servant retired in Ottawa yesterday before the bill becomes law, she would not be covered. It would therefore be unfortunate if this bill were delayed in a way that would interfere with the rights of some who might be contemplating retirement, or who might be in a position where they have to retire very soon. Mind you, Mr. Speaker, that could have been avoided. All that was needed was to put in a bill a clause providing that, with respect to this so-called equality of status, there would be retroactivity to a certain date. This can still be done. The bill can still be rewritten and corrected in many ways to cover this point. As I say, that is one provision of the bill that has a certain element of urgency as well as being right, and we strongly support that part of the bill.

There are a number of provisions in the bill that have the effect of straightening out certain anomalies. These apply not only to the Public Service Superannuation Act but also to the acts affecting members of the Canadian armed forces, members of the Royal Canadian Mounted Police and all the other branches and agencies with pensions under the aegis of the federal government. We welcome them, Mr. Speaker. There are not many of them that have a sense of urgency that might apply to the instance of equality of status at death, but at any rate they are welcome improvements.

The bill contains as well some matters that my colleagues and I do not like. As other speakers have said, the bill is also grossly deficient in some of the provisions it should contain. We therefore feel that, as a total package, the bill is unacceptable. It has been before us since February 17 of this year, which is the day it had first reading. There have been many weeks and months in which to deal with it, but no, it was not given second reading until a few weeks ago. We then had to deal with it in the Special Joint Committee on Employer-Employee Relations under pressure, because of the time element in regard to the one point I made, and perhaps in regard to one or two others.

In view of the request that has been made so often for other much needed improvements in public service superannuation, I think this has been a shabby way to treat us. I still think, with all the respect I have for the job done by the Parliamentary Secretary to the President of the Treasury Board (Mr. Francis), that the issues that were raised in committee were of such substance that we had the right to have the attendance of the President of the Treasury Board.

I want to say a few words about some of the points that are not dealt with in the bill that I think should be, the absence of which makes the bill unacceptable to us. I shall then speak about some of the matters in the bill which also make the bill unacceptable to us.

Allusions have been made to some of the matters I have in mind. I have already referred to the so-called equality of status in the bill, which is only equality to death. We feel that if there is going to be equality between men and women, their pensions ought to be equal. If a husband and wife live and work together and between them build up a certain pension right, what is there that is just about a law that provides a full pension so long as the man lives, but if he dies his widow gets only 50 per cent? If the woman dies first, the man who survives gets the full 100 per cent pension.

If the government is going to mouth this phrase about equality of status, we think it should go all the way and provide for equal pensions to the partners of a marriage where either one of them is employed in the public service. We raised this matter in the special joint committee, but of course we got the answer that it was beyond the terms of the Governor General's recommendation and could not be proceeded with for that reason. We were also told that it would be very costly. I recognize that, Mr. Speaker, but there are lots of things that are very costly which we can do in this place because we think they are right. I suggest that the phrase "equality of status" is a good phrase but that we really should put it into effect.

[Mr. Knowles (Winnipeg North Centre).]

I do not accuse the government of any misleading language in the actual clauses of the bill. The title "equality of status" is there, but when it comes to the terms of the bill, what is meant is equality between male and female contributors, not equality between man and wife, between men and women in general terms. We regret very much that the government has not seen fit to move in the direction of equality of status in real terms so far as men and women are concerned, and this failure makes the bill very unacceptable to us. It may be that the contribution rate would have had to go up, and that instead of a 100 per cent pension in either case the pension would have had to be 90 per cent if either husband or wife survived. But why not have the same percentage—whatever it is—whichever partner survives?

When we lost out on that point or got nowhere with it, and when we received no answers other than the three I have already mentioned—that it exceeded the governor general's recommendation, that it was very costly, and that the government just was not prepared to do this at this time—we then tried to argue that if we could not get a 100 per cent pension or the same pension for man and wife, at least the survivor's pension ought to be something better than 50 per cent. After all, survivors of members of parliament who qualify for a pension get a pension equal to 60 per cent of members pensions. Why do we hold it at 50 per cent for the widows of public servants? This again was said to be beyond the terms of the Governor General's recommendation, and beyond the capacity of the fund at its present level, so therefore we got nowhere with that either. I do not fault the Parliamentary Secretary to the President of the Treasury Board for not being able to deal with this in full. After all, it is a matter of government policy. But it was this sort of thing that I feel should have resulted in the presence of the President of the Treasury Board, and he should be here today to speak for the government on the matter.

Since I am talking of equality of status, and about widows in one capacity or another, may I move on to the point already mentioned by the hon. members for Esquimalt-Saanich (Mr. Munro) and Dartmouth-Halifax East (Mr. Forrestall), a point that has frequently been raised in the House and in committee by the hon. member for Edmonton West (Mr. Lambert). I refer to widows of public servants, or others that come under this bill, who married a public servant or pensioner after he had retired. Back in the old days when retirement was much later there may have been something to this prohibition, but it does not seem sensible today that a woman who can be the widow of a man after a marriage of 20 or 25 years—there are such cases—gets no pension because she married him after he left the public service, or the RCMP or armed forces. We think that is out of date and that this should be corrected.

● (1640)

I may tell the House that one of the delegations which appeared before us was the Federal Superannuates National Association, represented by Mr. Fred Whitehouse of Victoria, who is its national secretary treasurer. He told us in plain language in the committee that he and those who were with him at an interview with the President of the

Treasury Board were quite hopeful that there was going to be an amendment on this score.

I had other reasons for thinking it was going to happen and that we were going to get an amendment to provide for pensions to widows in such cases with some reasonable restriction. I do not ask that, if such a marriage lasted only six months or a year; a lot depends on the ages of the respective spouses, but certainly, and I am sure my friends who are on the committee will confirm this, the view of Mr. Whitehouse was specifically, from his talk with the President of the Treasury Board, that there would be an amendment on this score. Perhaps others have had the same letter that I had from Mr. Whitehouse asking how we made out on that. Unfortunately I have had to write him a disappointing letter. That was only one of so many disappointing letters I have had to write during my years of experience here, to the effect that the government had said no.

An hon. Member: You belong to the wrong party.

Mr. Knowles (Winnipeg North Centre): I am sure that my friend and members of his party have to write many letters of the same sort.

In any event, it was unfair that Mr. Whitehouse was treated in this way, as well as the committee, by being given the impression that something was going to happen and then it not happening.

I get the impression that whatever items there may have been along this line, the restraint program got in their way. It got in the way of the prisoner of war legislation we hoped to get from the Minister of Veterans Affairs (Mr. MacDonald), and it has got in the way of those provisions which we asked for in the joint committee on this bill. I still think it is most unfair. As I say, there are instances in which the first marriage lasted only a few years, but where the second marriage lasted many years, during which the second wife raised the children or carried out responsibilities that were greater than those of the first marriage, yet no pension is allowed under that rule. I think this bill is unacceptable in that it does not provide for a change in that respect.

There are those three things regarding wives, widows, or women that we think should have been acted on but were not, and to us this makes it an unacceptable piece of legislation to amend superannuation acts that we are being asked to push through, particularly without touching on these matters.

One of the reasons I say it is so unsatisfactory is that these things take a long time in coming. We will not get another such bill six months or a year from now. It will be way down the road, and the next time there will be some other anomalies that have to be straightened out, so we will not get action on these points then.

Another issue we raised in the committee, and again got the answer that it was too costly, could not be done and was not in the Governor General's recommendation, is the base that is used for calculating pensions under the Public Service Superannuation Act, or the pensions of other superannuation acts, namely, that the pension is calculated on the basis of 2 per cent per year of service times the average salary in the six best years.

Back in the so-called normal times, if ever there were normal times, the last six years of a public servant's employment could be at a level of salary that did not change greatly, but in the past six years we have had public servants whose salaries have doubled in that period. So when you ask these public servants to take a pension based on 30 or 35 years; in other words, 60 per cent or 70 per cent of their six best years, you are asking them to take a considerable cut from what they have been receiving recently because of the escalation in salaries in the last six years.

We felt, therefore, that the time had come to cut down that six-year period. Some of us in the committee proposed it be cut to four years or three years or two years, or even to one year; various shorter periods. We proposed that, but we could not even get the matter discussed.

The Parliamentary Secretary to the President of the Treasury Board took the proper position for him to take as a parliamentary secretary, namely, it was not in the act and it would cost so much that it could not be done. That is why the minister should have been there. I think there will be many public servants, members of the armed forces, the RCMP and others who will find it very disappointing that this parliament has again dealt with a bill to amend superannuation acts but has not dealt with this issue.

I move on, Sir, to the issue of the time at which pensions can escalate. We are talking now of an annual escalation which, for example, in January, 1976, will be 11.3 per cent based on the rise in the cost of living over one 12-month period as against another. The fact is that this is attainable only for retired persons who are 60 years of age or over.

That is all right for the public servant whose age for normal retirement is that or older, but we have employees of the RCMP and the Canadian Armed Forces who are not permitted to work until age 60. They work on contracts under which they are required at age 48 or 50—in there somewhere—to go out on pension, and there is no escalation to deal with the increase in the cost of living until they reach age 60.

Some of us have been arguing for a long time that this should be changed. I have raised it with the President of the Treasury Board, with the Solicitor General (Mr. Allmand), and with the Minister of National Defence (Mr. Richardson), each of whom has referred it to the other. It is still an issue that ought to be dealt with but is not dealt with in this bill.

Again we had before us at the joint committee a delegation of the Canadian Armed Forces Long-Service Pensioners Association. The representatives presented their case and certainly left with the same impression that Mr. Whitehouse left with concerning the other issue, namely, that something was going to be done. I certainly got the impression that something was going to be done. It might not be an escalation available at the point of retirement at 48 or 50 years of age, but it might be at age 55 or somewhere in there. However, when the parliamentary secretary came back from such discussions as he had, there was no change.

There is another issue we have been kicking around in this House ever since 1969, ever since escalation came in; once again it is not there. I was extremely disappointed. I

have mentioned the fact that we had these two delegations before us, the Federal Superannuates National Association and the Canadian Forces Long-Service Pensioners Association.

We also received a letter from the dominion secretary of the Royal Canadian Legion pressing the three points about which I have been speaking. The first is the one I just mentioned, namely, that escalation should start the first year after retirement; the second, that pensions payable to widows ought to be higher than the present 50 per cent; and third, that the denial of a pension to a widow if she married a serviceman or employee after he went on pension is most unfair.

What is the point of this committee work? Do we just go there and get the message from on high that this is the bill and nothing is to be changed except what the government wants to change? We have committees, and we have delegations appearing before the committees and the cases are made. Members go along with them. I could not even get a motion passed that the steering committee meet to consider some way to bring our recommendations back to the House. It was argued that we could not do it, that all we could do was to report the bill. But I pleaded that at least we meet to try to find some ways to let the House know of the various things that we in the committee wanted to do. We could not even get a motion like that passed.

I could add other things. I will mention just one of them quickly in passing, the problem that faces public servants who were in the armed forces and who want to buy back for pension purposes their service in the armed forces. That is available to them, but in most cases it is so costly that it might as well not be there.

So here is a bill that fails on many points to meet the needs of persons who are working for the public service or persons who are on pension, and I think it is a most disappointing business. In effect it is shabby treatment for us to be told that we have to rush this bill through because of one or two elements of time urgency, but we cannot do such things as to meet the problems of widows and meet the need of retired service persons and retired Royal Canadian Mounted Police for escalation of their pensions in accordance with the cost of living.

On top of all the things that are in the bill that are wrong, and on top of the things that are not in the bill that should be there, there are things that some of us, especially in my party, do not like. This is a bill of 106 clauses, which means there are a lot of things in it—in fact not only is the bill so long but the title is so long that Your Honour finds it difficult to read every time you put the motion—but tucked in there, as has happened on a number of occasions, is a substantial improvement in the pensions of members of parliament. I say that on other occasions this has happened, this tucking our pensions into an omnibus bill, and I regret it very much. Frequently we have been in the spot where we were presented with a bill that was good but which contained something that we did not like, and we were faced with the problem of whether we should vote for the bill because of some good things in it or whether we should vote against the bill because we did not like the wrong things that were in it.

We think that in these times of restraint, after we have had a terrific increase in our indemnities and in our tax-free allowances, to be making provision now for an increase in our pensions down the road of 33⅓ per cent is a little too much. I know the plausible argument that all this bill is doing is relating our pensions to our present pay scale of $24,000 instead of the $18,000 that is specified in the Members of Parliament Retiring Allowances Act. But one has to couple with that the fact that there is already in our pension plan a formula that is tremendously beneficial which provides for 3½ per cent per year for the first ten years, 3 per cent per year for the next ten years, and 2 per cent for the next five years, in other words, in 25 years, 75 per cent of our six best years average. In the public service it is only 2 per cent per year. It takes 35 years to reach 70 per cent; a public servant can never reach 75 per cent. As a formula it is far too generous and I suggest we are going too far to add to the generous formula by relating that formula to a higher salary so that we will get higher pensions down the road.

May I point out that the last time we dealt with the members of parliament pension bill, we put a figure in there. The $18,000 was the maximum salary to which our pensions could be related. But now we are taking out that figure and we are saying that our pension is related to whatever our salary is. So if the freeze for 1976 comes to an end, and in 1977 and 1978 our pay starts going up again, our potential pensions will keep on going up.

I submit that at this time when restraint is the motto, when we are supposed to be giving some leadership, we should not be doing this, and in my party we are opposed to taking this step and we shall be saying so by our vote on this bill.

An hon. Member: But you will take the money.

Mr. Knowles (Winnipeg North Centre): I am not planning to take any pension money. I am not planning to retire. I am sure that will please the hon. member.

This morning during the question period I refrained from pressing a point of order of which I had given notice. The Prime Minister (Mr. Trudeau) was surprised that I asked only for a freeze on the total amount of members of parliament pay, that I had not asked for a roll back. He knows very well that last December, January, February, March and April I did my best to prevent that increase from coming into effect, and if he is not aware of it let him ask his friend, the President of the Privy Council (Mr. Sharp), who is aware of where I stood on it. I say to him now that I think that that act of members of parliament in raising their own salaries to the extent that this was done has had a tremendous effect on the inflationary psychology in this country. I am not arguing that it is the only element, but I am arguing that part of the problem the government is having to cope with today is created because of that, and because of the tremendously higher salaries that were provided for public servants.

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member for Winnipeg North Centre (Mr. Knowles) in the middle of his speech. He still has some time left. However, we face a technical problem in that earlier this day the House made an order that later this day it would revert to motions for the purpose of dealing with the motion standing in the name of the President of the Privy

Council (Mr. Sharp). At that time it was not simply the consent of the House that later in the day consent would be sought to revert to motions, but it was an actual order that we would revert to motions later this day. Technically later this day stops in two minutes. Therefore, if we are to obey our own order we must either interrupt the hon. member for Winnipeg North Centre and revert to motions, or fail to see the clock. I did not want to be in the position to do either one, but I did want to say to hon. members that either we revert to motions at this time or we understand that, in failing to see the clock in a moment or two, we are not in any way prejudicing the previous order. Is that understood and agreed?

Mr. Baker (Grenville-Carleton): I think there is general understanding that we keep our eyes away from the clock.

Some hon. Members: Agreed.

Some hon. Members: Stop the clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am glad you heard those of us who said "stop the clock" and that you did not hear my friend who said "stop Stanley".

An hon. Member: You made your point.

Mr. Knowles (Winnipeg North Centre): I shall only be a few minutes longer. I am answering the point the Prime Minister made this morning. I think that what we did with respect to indemnities, what has been done with respect to top civil service salaries, $50,000 and $60,000 salaries and big pensions for them, has all contributed to the inflationary psychology which has created or aggravated the problem which we have today. I do not think we should add to it by the action of improving our pensions further at this time. Therefore, because we do not like what is being done with respect to members' pensions, because we want to protest against that as strongly as we can, because we do not like the failure of the bill that is now before us to deal with the issues that a number of us have raised, because we feel this whole operation has been a shabby one and is very disappointing, we shall vote against the third reading of this bill.

Hon. Robert L. Stanfield (Leader of the Opposition): I want to say just a word, Mr. Speaker. The hon. member for Dartmouth-Halifax East (Mr. Forrestall) has already expressed the disappointment of my party that a good many things were not dealt with in this bill. However, let me just say a word about the retirement features, without provoking a debate, I hope, at this stage.

● (1700)

The hon. member for Winnipeg North Centre (Mr. Knowles) opposes the escalation figure, and I cannot agree with him in this respect. For one thing, the continued escalation based upon actual salaries and emoluments is realistic. I think a freezing at $18,000 per year is not right. I think, too, that if this freezing at $18,000 were to continue, we would very soon get into an anomalous situation parallel to the situation of the public servants, with whom the bill has dealt in part. We would very quickly get into a situation where it would become financially disadvantageous for a member of parliament to continue to serve as a member of parliament, rather than to retire and receive the benefit of the cost of living escalation which is built into the retirement pension. I think this is indisputable.

Some hon. Members: Hear, hear!

Mr. Stanfield: There may very well be faults in the pension which exists for members of parliament. It may be too generous in a number of respects, but I suggest if it is too generous this relates to the period after which one could qualify or the age at which one can qualify, and if there is going to be a re-examination of the pension those are two areas which should be examined rather than trying to freeze the rate of emolument upon which the pension is calculated for those, perhaps, of long service.

I suggest to the hon. member for Winnipeg North Centre that two wrongs do not make a right. I suggest to him that he is tackling reform of members' pensions at the wrong time. The escalation of the salary range upon which the pension is calculated is right. But I would be all in favour of another look at the period of qualification and the age of qualification because it seems to me that if there are faults in our pension system—and there may be—it is in those areas. I suggest that if the House were to adopt the position taken by the hon. member for Winnipeg North Centre today, we would quickly get into, among other things, injustices and anomalies with regard to members of parliament who retire, and we are going to build into our parliamentary retirement system an inducement and an encouragement for members of parliament to retire rather than serve their country.

Some hon. Members: Hear, hear!

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Before calling in the members, which I am required to do by the Standing Orders, I again want to reiterate that we do have a matter of business to deal with for which there is some compulsion, and perhaps it might be more orderly first to deal with the adjournment motion which is here now and then call in the members for the recorded division on the measure before us.

I am perfectly prepared to call in the members and proceed with the recorded division first, and then deal with the other matter. However, we are extending somewhat beyond the ordinary hour of adjournment doing it that way. I am in the hands of the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, could we not now have an understanding or a House order that the hours of sitting today be extended until we have concluded the motion which the President of the Privy Council (Mr. Sharp) will present and until we have made the trip to the other place? It seems to me that the time to take this vote is now. Then, after hon. members are here, we can have the other motion.

Mr. Sharp: Mr. Speaker, I am agreeable to that. There is, however, one difficulty, and that is while we have every reason to believe that the Senate will deal expeditiously with the bills which have been approved by the House today, it is possible that that will not be the case. In that case, perhaps after we have reached our decision on the adjournment motion, it might be more appropriate for me to move that we re-assemble for Royal Assent at the call of the Chair.

Mr. Speaker: That, however, has to do with the terms of the adjournment motion. The only question now is whether we take the recorded vote and then deal with the terms of the adjournment motion, or do it the other way around.

Some hon. Members: Now.

Mr. Speaker: May I take it that the consensus of the House is to deal with the adjournment motion first?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Baker (Grenville-Carleton): Mr. Speaker, when I shouted "now", I meant that we should take the vote now and then deal with the adjournment motion.

Mr. Speaker: Call in the members.

Mr. Guay (St. Boniface): Could we have a five-minute bell only?

The House divided on the motion which was agreed to on the following division:

● (1710)

(Division No. 99)

YEAS

Messrs.

Abbott	Baker	Blouin
Alkenbrack	(Grenville-Carleton)	Boulanger
Allmand	Balfour	Breau
Anderson	Basford	Buchanan
Appolloni (Mrs.)	Beatty	Bussières
Baker	Béchard	Cafik
(Gander-Twillingate)	Blaker	Campagnolo (Mrs.)

[Mr. Speaker.]

Messrs.

Campbell (Miss)	Goodale	Malone
(South Western Nova)	Guay	Marchand
Campbell	(St. Boniface)	(Kamloops-Cariboo)
(LaSalle-Émard-Côte	Halliday	Mazankowski
Saint-Paul)	Hamilton	McGrath
Caron	(Qu'Appelle-Moose	McIsaac
Clermont	Mountain)	McKinley
Collenette	Hargrave	McKinnon
Corbin	Harquail	Milne
Corriveau	Hees	Muir
Crouse	Herbert	Munro
Cullen	Holt (Mrs.)	(Esquimalt-Saanich)
Danson	Huntington	Nicholson (Miss)
De Bané	Isabelle	O'Sullivan
Dionne	Jarvis	Ouellet
(Northumberland-	Kempling	Paproski
Miramichi)	Landers	Patterson
Douglas	Lang	Pearsall
(Bruce-Grey)	Laniel	Philbrook
Drury	Leblanc	Poulin
Duclos	(Laurier)	Prud'homme
Dupras	LeBlanc	Railton
Duquet	(Westmorland-Kent)	Reid
Ellis	Lefebvre	Rompkey
Fairweather	Lumley	Sharp
Fleming	MacDonald	Smith
Flynn	(Cardigan)	(Saint-Jean)
Forrestall	Macdonald	Stanfield
Fox	(Rosedale)	Stewart
Francis	MacFarlane	(Cochrane)
Gauthier	Mackasey	Trudeau
(Ottawa-Vanier)	MacKay	Trudel
Gendron	MacLean	Watson
Gillespie	Macquarrie	Young—105
Gillies	Maine	

NAYS

Messrs.

Broadbent	Knowles	Nystrom
Douglas	(Winnipeg	Peters
(Nanaimo-Cowichan-	North Centre)	Symes—6
The Islands)		

● (1720)

Mr. Speaker: I therefore declare the motion carried.

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

Mr. Speaker: Order, please. Pursuant to the order made earlier this day, the House will now revert to motions.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

CHRISTMAS ADJOURNMENT

Hon. Mitchell Sharp (President of the Privy Council) moved:

That, when the House adjourns after Bill C-75, an act to increase the rate of return on government annuity contracts, to increase their flexibility and to discontinue future sales thereof, has received the Royal Assent, it shall stand adjourned until Monday, January 26, 1976, provided always that, if it appears to the satisfaction of Mr. Speaker, after consultations with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

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

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: It should be noted that, pursuant to the terms of the motion, we must deal with the adjournment of the House for this day. Perhaps honourable members might be prepared to agree that, since it is possible that Royal Assent may occur later this day, or, if not, because of unexpected circumstances, on Monday or Tuesday, the sitting of the House shall now be suspended until the call of the bells, which shall call the House for the specific purpose only of receiving Royal Assent and that, thereafter, the adjournment motion, the terms of which have been pronounced and passed by the House, will be operative. Is that understood and agreed?

Some hon. Members: Agreed.

Mr. Speaker: Therefore, the sitting of the House stands suspended until the call of the bells.

May I now deal with the second most important matter. It will be my pleasure to receive honourable members, staff, and members of the press gallery for a small libation, to send them on their way with the proper Christmas spirit, which has never been absent from this Chamber for very long.

At 5.28 p.m. the sitting was suspended.

The House resumed at 8.18 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed the following bills without amendment:

Bill C-69, an act to amend the Unemployment Insurance Act, 1971.

Bill C-52, an act to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act.

Bill C-77, an act to amend the National Housing Act and the Central Mortgage and Housing Corporation Act.

● (2020)

THE ROYAL ASSENT

[*English*]

Mr. Speaker: I have the honour to inform the House that the following communication has been received:

Government House
Ottawa, December 20, 1975

Sir:

I have the honour to inform you that the Hon. Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 20th day of December, at 8 o'clock for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General.

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

Mr. Speaker informed the House that the Honourable Deputy Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

● (2030)

Bill C-80, An Act to provide supplementary borrowing authority for public works and general purposes.—Chapter No. 79.

Bill C-69, An Act to amend the Unemployment Insurance Act, 1971.—Chapter No. 80.

Bill C-52, An Act to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act.—Chapter No. 81.

Bill C-77, An Act to amend the National Housing Act and the Central Mortgage and Housing Corporation Act.—Chapter No. 82.

Bill C-75, An Act to increase the rate of return on Government Annuity contracts, to increase their flexibility and to discontinue future sales thereof.—Chapter No 83.

Bill C-74, An Act to amend the Regional Development Incentives Act.—Chapter No. 84.

Bill C-21, An Act to amend the Agricultural Products Cooperative Marketing Act,—Chapter No. 85.

Bill C-28, An Act to amend the Animal Contagious Diseases Act.—Chapter No. 86.

Bill S-29, An Act to enable The Eastern Canada Savings and Loan Company and Central & Nova Scotia Trust Company to amalgamate.

Bill C-1002, An Act to incorporate the Northland Bank.

Mr. Speaker: Pursuant to order made this day, this House stands adjourned until Monday, January 26, 1976, at 2 o'clock p.m.

At 8.34 p.m. the House adjourned until 2 p.m., January 26, 1976, pursuant to special order made this day.

HOUSE OF COMMONS

Monday, January 26, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PENITENTIARIES

SUGGESTED COMMITTEE STUDY OF RESTRICTIONS ON NEWS MEDIA IN REPORTING MILLHAVEN INQUIRY—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in spite of the natural enthusiasm which members are expressing in meeting here for the first time, I should like to move a motion under Standing Order 43 with regard to a matter of urgent and pressing importance.

My motion deals with the terms and conditions being imposed on the news media by Miss Inger Hansen in respect of their reporting of the inquiry which Miss Hansen is currently holding into an incident last November at the Millhaven penitentiary and the fact that this House should demand an explanation of what appears on the surface to be a very dangerous practice.

I therefore move, seconded by the hon. member for Malpeque (Mr. MacLean):

That the Standing Committee on Justice and Legal Affairs inquire into the restrictions placed on the news media by Miss Inger Hansen in regard to the inquiry into certain events at Millhaven penitentiary and report to the House whether this interference with the right of the news media to report freely and fully upon a public inquiry is justified in the circumstances.

Mr. Speaker: A motion can only be presented pursuant to Standing Order 43 with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

REQUEST THAT RUSSIA ADHERE TO PROVISIONS OF HELSINKI AGREEMENT—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I, too, rise pursuant to provisions of Standing Order 43. During International Women's Year a number of women's associations drew the attention of Canadians and of people elsewhere in the world to the existence of certain women political prisoners in the U.S.S.R. These women have been sentenced under certain articles of the Ukranian Criminal Code which clearly conflict with the constitution of the U.S.S.R. and the United Nations Declaration of Human Rights.

I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Canadian government urge the government of the Soviet Union to adhere to the human rights provisions spelled out in the Helsinki agreement and that Canada take the initiative in raising this question at the United Nations.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL DEFENCE

PROPOSED COMMITTEE STUDY OF CLOSURE OF BASES—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. My motion relates to a special secret study being made in reference to the closure of certain military armed services bases, in particular Calgary, where land, armoured, infantry and services forces includes 2,300 officers and men and 480 civilians.

I move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That before any Canadian base is closed, particularly Calgary, the matter be referred to the Standing Committee on External Affairs and National Defence so as the facts and reasons for the review are all disclosed openly in the committee so the public is made aware of the real reasons for such closures and for the purpose of avoiding any discrimination against any part of the country.

Mr. Speaker: The motion under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

FINANCE

SUGGESTED STUDY OF POSSIBILITY OF REDUCING INTEREST RATES—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent of the House to present an important and urgent motion.

Because the ravages of inflation constantly reduce the real purchasing power of Canadians, because the low-wage earners, the poor, the underprivileged are forced to borrow money at high interest rates to solve their problems and make ends meet, and also because interests rates are really too high in Canada, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House study, at the very first opportunity, the possibility of lowering interest rates in Canada.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, the motion cannot be put without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

* * *

[*English*]

NATIONAL DEFENCE

REQUEST FOR STATIONING OF AIR-SEA RESCUE AIRCRAFT IN EASTERN NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I, too, rise under the provisions of Standing Order 43, to present before the House a matter of urgent and pressing necessity. In view of the fact that there is no air-sea rescue unit in Newfoundland, the last unit having been removed to Nova Scotia in 1964, and in light of the most recent tragedy in which two fishermen were lost on the east coast of Newfoundland, underlining the need for such an air-sea rescue unit in our province, and because of the critical time involved in having rescue operations carried out from Nova Scotia, I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That the Minister of National Defence be directed to have air-sea rescue aircraft stationed in eastern Newfoundland.

Mr. Speaker: The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

HOUSE OF COMMONS

PREVENTION OF INCREASE IN MEMBERS' TAX-FREE ALLOWANCE—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under Standing Order 43. The urgent and pressing necessity is the fact that it is desirable to clear up a point of uncertainty. I therefore move, seconded by the hon. member for Waterloo-Cambridge (Mr. Saltsman):

That this House calls on the government to indicate forthwith its readiness to move or accept an amendment to Bill C-81 to prevent any increase at this time in the tax-free allowances as well as the salaries of Members of Parliament, Senators and cabinet ministers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

REQUEST FOR STATEMENT OF CANADIAN POSITION ON EXTENSION OF JURISDICTION OVER MARINE RESOURCES TO 200 MILES—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I, too, have a motion under Standing Order 43. A task force report of the trilateral commission on ocean management warns of the danger of nations deciding not to wait for the end of the global treaty-making process and resorting instead to arrangements amongst themselves, thereby destroying the intent of the conference.

● (1410)

Since Canada has been negotiating and signing agreements with several nations on fisheries management, contrary to the advice of the commission, and since continuing pessimism is being expressed by an increasing number of countries as to the achievement of an international agreement on a 200-mile economic zone, many of those countries taking unilateral action, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Secretary of State for External Affairs make a statement on motions forthwith expressing Canada's position at the Law of the Sea conference in March, particularly to relate its plan if, indeed, as is obvious to the government itself, no international agreement will be reached.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

FISHERIES

SUGGESTED DELAY IN FREEZE ON ISSUANCE OF LICENCES TO LOBSTER FISHERMEN—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the growing controversy concerning the equity and practicality of the temporary freeze on the issuance of new licences for lobster fishermen and vessels, which has resulted in telegrams of protest from at least one cabinet minister from Nova Scotia, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the Minister of State for Fisheries refrain from any further action in this respect until this House can be assured that there has been more meaningful input and consultation from those affected in the fishing industry than is presently the case, at least in the province of Nova Scotia.

Mr. Speaker: Order, please. The motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

REQUEST FOR INVESTIGATION BY ANTI-INFLATION BOARD OF PROPOSED INCREASE IN AUTOMOBILE INSURANCE PREMIUMS IN BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I, too, rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43 which concerns the problem of inflation in British Columbia. In view of the recent announcement of the government of British Columbia that it intends to increase automobile insurance premiums in the province by as much as 100 per cent—

Some hon. Members: Oh, oh!

Mr. Leggatt: I wish the Socreds on my right would calm down—in view of the increasing unease throughout the country due to the government's inability to get signed agreements from provincial governments on their anti-inflation guidelines and in view of the interference in teacher bargaining, a provincial matter, in Ontario, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That the Anti-Inflation Board immediately investigate the premium increase in British Columbia in terms of its consistency with the federal government guidelines, and that the federal government immediately make representations to the government of British Columbia to roll back these unnecessary and exorbitant increases until they line up with the government's guidelines.

Mr. Speaker: Order, please. This motion cannot be presented without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

SUGGESTED CALLING OF ELECTION TO PERMIT DECISION ON ECONOMIC POLICY—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43 I rise on a matter of urgent and pressing necessity arising out of recent statements made by the Prime Minister (Mr. Trudeau) in regard to the new society replacing the free market system on which the foundation of this very institution rests. As the Prime Minister, who today is visiting the Republic of Cuba and possibly brushing up on the Communist system, stated on several occasions that the traditional free market system in this country is not working as it should and that he intends, as Prime Minister, to alter it with yet further government intervention, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That this House instruct the Prime Minister to advise forthwith His Excellency the Governor General to dissolve this House of Commons for the purpose of allowing the electorate of this nation to decide its basic economic and moral future.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such motion cannot be presented without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Baldwin: Send it to Australia.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—NUMBER OF PROVINCES SIGNING AGREEMENTS—POSSIBLE RECONVENING OF MINISTERIAL CONFERENCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Acting Prime Minister? As the Prime Minister is busy looking for the other new society and the Minister of Finance is absent—I do not know where he is today—I want to ask the Acting Prime Minister questions about the real and rather messy world of inflation.

Mr. Nystrom: That's the old society.

Mr. Stanfield: Can the Acting Prime Minister tell the House how many provinces have now signed agreements for the administration of the controls program?

Mr. Andre: Fourteen.

Some hon. Members: Oh, oh!

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, so far, one agreement has been signed—

Some hon. Members: Shame!

Mr. Drury: —namely, with the province of Ontario. Authorization of the Governor in Council is being sought to add to that number, particularly in relation to the Atlantic provinces.

Mr. Stanfield: Mr. Speaker, I have a supplementary question for the Acting Prime Minister. In view of the fact that only one province has signed and there is mention of three or possibly four more which may be prepared to sign, is the government prepared to reconvene the conference of first ministers, as the Prime Minister indicated might be done, in order to assure something like prompt nation-wide and uniform action?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not think it would be necessary to reconvene the meeting of first ministers. Progress is being made in signing these agreements. We do not have any hostility from the provinces. We anticipate co-operation from them all.

Some hon. Members: Hear, hear!

* * *

THE BUDGET

POSSIBLE DATE OF PRESENTATION

Hon. Robert L. Stanfield (Leader of the Opposition): If this is what the government considers to be progress, there is no need to wonder why they need a three year program to perhaps even get started. In view of the statement by the Economic Council of Canada that measures contained in the last budget are expected to result in a faster rate of price increase and a slower rate of growth, can the Acting Prime Minister tell the House when we may expect a budget so that members on both sides of this House can come to grips with the realities and problems of today rather than just being left with the Prime Minister's future "schlock"?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have had an opportunity of discussing with the House leaders the possibility that the annual review of the Economic Council of Canada, to which the Leader of the Opposition has referred, might be referred to either a standing committee of this House or a joint committee for discussion. I agree with him that some of the comments are worthy of a good deal more attention than they have received.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT—REQUEST FOR STATEMENT IN VIEW OF UNITED STATES STUDY—POSSIBILITY OF MEETING WITH UNITED STATES

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Acting Prime Minister. Since one of the purposes of the anti-inflation program is to ensure our competitive position in world trade, when will the Acting Prime Minister be making a statement on the auto pact in view of the study recently completed by the United States International Trade Commission on this subject?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, like the hon. member, I have seen the press reports. The study itself has not yet been released. Therefore, we are unable to comment upon its contents.

Mr. Kempling: In view of the fact that our trade deficit in automotive trade under the auto pact will be in excess of $1 billion this fiscal year and our automotive parts trade deficit will be more than $2 billion, will the Acting Prime Minister advise when the study group on the auto pact within the Department of Industry, Trade and Commerce will be meeting with their counterparts in the United States?

Mr. Sharp: Mr. Speaker, I do not think that would be an appropriate vehicle for such discussions. I think the discussion should take place between the two governments at the ministerial or secretarial level. May I point out to the hon. member that the report that appeared in the paper does criticize the pact as being very advantageous to Canada.

Mr. Kempling: Can the Acting Prime Minister advise whether the American government has requested a joint meeting to study the auto pact? If not, will the Canadian government initiate a meeting on this trade agreement, bearing in mind that President Ford agreed to a joint trade study on December 4?

Mr. Sharp: Mr. Speaker, we have not had any request recently from the United States government for such a meeting. We ourselves have suggested this and would welcome one.

* * *

ENVIRONMENTAL AFFAIRS

POSSIBLE APPLICATION OF FEDERAL POLLUTION CONTROL STANDARDS TO SYNCRUDE PROJECT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the new Minister of the Environment. I congratulate him on his appointment.

Some hon. Members: Hear, hear!

Mr. Broadbent: That is the good part of the story. In his touching television address to the people of Canada on Monday, the Prime Minister referred to the fact that a lot of buck-passing had taken place on the issue of pollution control. Is the new Minister of the Environment going to put an end to his own government's buck-passing on pollution control in the Syncrude project and insist that the federal government's pollution control standards be applied to the Syncrude project as a condition for further federal participation in it?

● (1420)

[*Translation*]

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, I do intend to fight pollution everywhere and even here, within the House.

I also wish to thank the hon. member for his congratulations, as well as all hon. members of the opposition and government members who congratulated me also. It is extremely nice of them. However, I do know that those niceties will be followed by less pleasant things and that is to be expected. Such are the rules of the game.

As for the very specific questions which we referred to, I think that within a few days, if I may be granted the time to go over the documents which were handed to me, I shall be able to inform the House on the question which is now being raised.

[*English*]

Mr. Broadbent: I will remain optimistic for a few days, anyway, Mr. Speaker. Is the minister aware, and, if not, would he check into the matter and confirm the point, that because of the refusal of the federal government to apply its own pollution control standards, in particular to the use of the latest pollution abatement equipment, some 280 long tons of sulphur will be poured each day into the atmosphere, affecting the entire Athabasca River system and persisting as far away as Saskatchewan? I am referring to the Syncrude project.

Mr. Marchand (Langelier): I think the first suggestion I made was the right one. I will check into that matter and give an answer, maybe tomorrow.

REQUEST FOR LIST OF AREAS IN WHICH RADIO-ACTIVE WASTE DEPOSITED—SUGGESTED INVESTIGATION OF DANGERS

Mr. Edward Broadbent (Oshawa-Whitby): I should like to ask the minister a further question arising from the disclosure of a potentially serious radio-active waste problem in the Port Hope region. Would he provide the House with a list of other areas in Canada where such wastes are deposited and inform the House whether, following the discovery at Port Hope, his own department has investigated the potential danger at these other sites?

Hon. Jean Marchand (Minister of the Environment): Yes, Mr. Speaker. I had a meeting this morning with the deputy minister of the department and this is one point he raised, that we should take a very serious look at what is going on in Port Hope as far as nuclear waste is concerned. I hope I shall soon be in a position to give a full report on all the points to which the hon. member has referred.

PORT HOPE—ACTION TO RELIEVE CONCERN OF CITIZENS ABOUT RADON GAS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary is addressed to the Minister of Energy, Mines and Resources and it relates to the Port Hope situation.

An hon. Member: Here he is, fresh from the Ontario Liberal meeting!

Mr. Lawrence: It sounded more like a Tory meeting after what they were saying about you guys.

Some hon. Members: Hear, hear!

Mr. Lawrence: Since the problem in Port Hope relates to a federal government agency I should like to ask the minister what steps the government is taking, other than the setting up of an information office, to relieve the concern felt by the citizens of Port Hope with regard not only to the radon gas but to health hazards caused by radio-activity generally? Would the minister tell us, also, what the government is doing to relieve their concern about the generally poor image of their town in the eyes of the rest of the country?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): We have tried to move with the utmost despatch and urgency and to deal with this question in a thorough way. We have been co-operating with the Ontario department of health and I think the degree of co-operation between the two governments has been outstanding. I think we have been able to pursue the investigation in a thorough way. We have not sought to deal with the question through press releases, but on an individual basis through those particular properties which have been identified. In addition to the storefront office the hon. member has mentioned, we have set up a mobile service for the purpose of monitoring the various places where there is perhaps some suspicion of the presence of radio-active waste.

PORT HOPE—RESPONSIBILITY FOR CASE OF SOIL REMOVAL—POSSIBILITY OF ESTABLISHING A MEDICAL CLINIC IN AREA

Mr. Allan Lawrence (Northumberland-Durham): Two questions specifically, Mr. Speaker. Could the minister tell me whether the government is undertaking to underwrite the costs pertaining to soil and fill removal, including the cost of the new ventilation system in that separate school in Port Hope? Secondly, has the government any plans to set up any type of medical clinic so that anyone in the area who feels they may have been affected by this material can go and get a clean bill of health?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, as to the first point about underwriting the cost, Eldorado itself has been active in making alterations to certain properties. It is doing so without prejudice as to where the ultimate responsibility for these costs lie; the important point is to get on with the job rather than to argue about who should pay for it at this time.

As to the second point, the question of a clinic, I think that is a constructive suggestion, and one that I personally would like to discuss with the minister of health in the Ontario government, where I think perhaps the major facilities are available.

Oral Questions

[*Translation*]

CUSTOMS

REQUEST TO CONSIDER REOPENING OF MONT-JOLI OFFICE

Mr. Eudore Allard (Rimouski): Mr. Speaker, I want to put a question to the Minister of National Revenue.

Considering the many telegrams I received lately from citizens of Mont-Joli and considering also that they are strongly opposed to the closing of the customs office in Mont-Joli, could the minister tell the House whether he has any intention of reopening that office?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I also received many telegrams and the hon. member for Matane made representations to me on that subject. I therefore had to examine the telegrams and my decision is now made: No, Mont-Joli will be closed.

* * *

[*English*]

EXTERNAL AFFAIRS

SUGGESTED WITHDRAWAL OF AID TO CUBA IN VIEW OF INVOLVEMENT IN ANGOLAN WAR—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Acting Prime Minister. Bearing in mind Canada's extensive aid to Cuba in the form of CIDA grants and EDC financing of well over $100 million, would the Acting Prime Minister indicate whether he anticipates that the Prime Minister, while in Cuba, will protest that country's involvement in the unfortunate Angolan war, and will he indicate while in Cuba that there will be a withdrawal of future aid if Cuba persists in becoming involved in wars in foreign countries?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think the Prime Minister's visit to Cuba gives the leader of the government of Canada an opportunity to express personally to the Prime Minister of Cuba Canada's policy, which is opposed to foreign intervention by anyone in Angola, including that country. I think there will be an opportunity at this time, an opportunity that some people on the hon. member's side would deny the Prime Minister, of having a face to face encounter.

Mr. Stevens: Mr. Speaker, I have a supplementary question which, in the absence of the Minister of Industry, Trade and Commerce, I will direct to the Acting Prime Minister. As only last week the Export Development Corporation announced that they had approved $285 million of new funds for certain countries, including Cuba, and as the specific agreements are still being negotiated, would the Acting Prime Minister indicate whether the government is considering instructing the EDC management that they should extend no such financing to Cuba so long as they participate with troops in a foreign war in which they have no involvement?

Mr. Sharp: Mr. Speaker, the answer is no. I hope the hon. member is not suggesting that where there are differences of view between peoples and governments normal commercial and aid relations should not be continued.

[Mr. Gillespie.]

Mr. Stevens: A final supplementary question, Mr. Speaker. Again in the absence of the Secretary of State for External Affairs I will direct my supplementary question to the Acting Prime Minister. In view of CIDA not only having extended millions of dollars in aid to Cuba but even having an outstanding $10 million line of credit available to that country at 3 per cent interest, would the Acting Prime Minister state whether the government is considering withdrawing this line of credit so long as Cuba persists in continuing its present international involvement?

Mr. Sharp: No, Mr. Speaker. The attitude of the Canadian government on this question is very clear. There are many countries in the world with whose policies we do not agree. We do not think it is in the interests of world peace, world development, the improvement of the lot of poor people throughout the world, when we do have these differences, to withdraw either our commercial relations or our aid.

* * *

ENERGY

NATURAL GAS—GOVERNMENT INCENTIVES TO COMPANIES TO INCREASE RESERVES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the rather dismal picture which the minister painted for the businessmen of the United States who gathered at Pittsburgh last week regarding Canada's dwindling oil and gas reserves, would the minister take the first opportunity on motions to outline to the House just what additional development incentives the government is prepared to offer to the petroleum industry to try to greatly increase these vitally needed reserves?

● (1430)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I would be very pleased right now to make an extensive answer to that question by reciting the many incentives we have provided to the industry. Let me just make one or two points. Very recently we increased the price of natural gas and assured that the incremental price for exports would go to the industry. We changed the income tax regulations about a year ago, and these changes become effective on January 1 of this year regarding resource allowances. I think these moves, particularly the increase in the price of gas which has occurred, and which may occur this year, will provide a very substantial cash flow for the Canadian industry to be applied to the exploration and development of our northern resources. I trust, and I have told the industry I expect them to use that increased cash flow for exploration and development in Canada.

Mr. Hees: Mr. Speaker, as it is the opinion of the oil and gas industry in Canada that what the government is at present doing is not nearly enough to induce sufficient new development to bring our gas and oil reserves up to the amount that will be required in the future, will this minister and the government take another look at his

program with the realization that the important people in the oil and gas industry are not going to react in any way close to the way the government hopes?

Mr. Gillespie: Mr. Speaker, if the hon. gentleman has been following recent events he will have seen the change that had taken place in respect of drilling rig movement and activity in Canada. I think clearly the tide is coming in now in respect of drilling activity in Canada. I might also say that I hope to be introducing into the House of Commons in the very near future a new set of oil and gas regulations which I think will remove some of the uncertainties that exist in respect of exploration and development in the north.

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PENITENTIARIES

MILLHAVEN—RESTRICTIONS ON REPORTING PROCEEDINGS OF INQUIRY—GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Solicitor General relating to the inquiry now being held into an incident at the Millhaven penitentiary last November. Is the minister aware of the very severe restrictions being placed by Miss Inger Hansen on the reporting of the proceedings of the inquiry and the subsequent report by Miss Hansen? Is he satisfied that these limitations should be placed on this inquiry, and under what authority is Miss Hansen acting in so inhibiting this inquiry that ought to be held in public?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, Miss Hansen is operating under the Inquiries Act. Generally, these inquiries into penitentiary disturbances are held in camera. I think this is one of the first occasions on which the press in being permitted to attend. In admitting the press, she placed a condition on them that they must not reveal the names of the witnesses because that would jeopardize the safety of both the staff and the inmates of the penitentiary if this information were revealed.

* * *

LABOUR CONDITIONS

STRIKE OF PULP AND PAPER WORKERS—REQUEST FOR FEDERAL AID IN SETTLING

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when the Anti-Inflation Board made a ruling in respect of the pulp and paper strike it intruded into the management-labour negotiations in Ontario. Will the Minister of Labour now discuss with the reluctant minister of labour for Ontario a method of bringing both the employers and representatives of the CPW back to the bargaining table in order that a reasonable settlement can be arrived at and the desperate financial situation facing the pulp and paper, one industry, communities of northern Ontario be resolved?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am pleased to advise the hon. member that the latest information I have from both direct and indirect sources is that some of the parties involved have indicated they are back at the bargaining table this week.

* * *

AIR TRANSPORT

LAKER AIRWAYS—JUSTIFICATION FOR SUSPENSION IN VIEW OF WITHDRAWAL OF REGULATION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, will the Minister of Transport advise the House of the rationale of the Air Transport Committee of the CRTC in the matter of Laker Airways being suspended for 14 days for an offence committed some two or three years ago on the basis of information supplied and computed by a Canadian company transmitted through Laker Airways, and does he think the same type of treatment should apply to any Canadian air carrier caught in the same circumstances abroad?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have no doubt at all that the same kind of treatment would apply to any Canadian carrier caught in circumstances like that in Canada because the concern of the Air Transport Committee was very much with the falseness of the information supplied rather than with the specific regulation in respect of which the information was sought. Fisrtly, the party in question had to take responsibility for supplying of the information, and accordingly the CTC suspended permission to take on passengers for a period of one month. I reviewed the exact sentence and exercised a prerogative, cutting that period down to two weeks.

Mr. Lambert (Edmonton West): Mr. Speaker, in arriving at that decision, did the minister take into account the rather nonsensical basis of the regulation, since the matter has now been withdrawn and the regulation does not provide any benefit to the Canadian people or the air industry?

Mr. Lang: Mr. Speaker, I think the hon. member has missed the point of my remark which related to the very serious nature of the action on the part of Laker Airways in its failure to supply correct information, and supplying, through the responsibility it had, false information to the Air Transport Committee, a matter which is very serious indeed to the whole regulation of activities whether in the air or elsewhere.

* * *

[*Translation*]

GOVERNMENT ADMINISTRATION

SUGGESTED REDUCTION OF ADMINISTRATIVE EXPENSES RATHER THAN SOCIAL SECURITY MEASURES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I want to ask a question of the Acting Prime Minister.

In the present fight against inflation, can the minister assure the House and the Canadian people that the government will concentrate its effort on cutting expenses at the administrative level, for instance within the Crown or other corporations which are under its authority, like the

Canadian Overseas Telecommunications Corporation, rather than in its social programs?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. gentleman is quite aware of the priorities of the government. We have said we are not going to put the burden of controlling inflation on the backs of the poor or the under-privileged of this country. He knows that is our position, that we are opposed to this. We will also try to do everything we can about waste wherever this can be done, whether it is in government or in Crown corporations. I do not think, however, that we should in any way jeopardize the commercial prospects of our Crown corporations.

Mr. Wagner: More precisely, Mr. Speaker, will the government undertake not to fight inflation on the backs of the elderly people and those with young families in Canada?

Mr. Sharp: Yes, Mr. Speaker, and the best evidence of that is the very large increases in family allowances that were made recently by this government without, I might say, the measure of support we should have had from the other side.

* * *

AIRPORTS

TORONTO—LACK OF SERVICE AT AEROQUAY RESTAURANT

Miss Aideen Nicholson (Trinity): Mr. Speaker, in view of the fact that on December 31 passengers were refused service at the Aeroquay Restaurant at Toronto at 7 p.m. because the staff was decorating the empty restaurant for a New Year's eve party to be held later in the evening, will the Minister of Transport consider making the airport restaurant concessions conditional upon providing service to the travelling public?

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I appreciate the fact that the hon. member has brought this problem to my attention. I will certainly follow up her suggestion and look into the matter.

* * *

ADMINISTRATION OF JUSTICE

DATE OF APPOINTMENTS TO NEWFOUNDLAND APPEAL COURT

Mr. James A. McGrath (St. John's East): Mr. Speaker, notwithstanding the fact that the Minister of Justice has more than his hands full these days keeping his colleague, the Minister of Consumer and Corporate Affairs, out of trouble, I still believe he has other ongoing responsibilities. As it is now over six months since we have amended the Judges Act, which among other things set up the appeal court in the province of Newfoundland, I would ask the minister when we can expect appointments to that appeal court to be completed since the whole system of justice is being held up in Newfoundland pending these ministerial appointments?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, as the hon. member knows, one appointment has been made since I have been the Minister of Justice which has completed the appointments to the trial division of the courts in Newfoundland. I have had on my desk, under active consideration, an appointment to the court of appeal and I would hope to make an appointment soon.

* * *

● (1440)

IMMIGRATION

SUGGESTED DELETION OF PROVISION CONCERNING EPILEPSY—DATE OF INTRODUCTION OF AMENDING LEGISLATION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Is the minister considering bringing in a bill immediately for the purpose of deleting Section 5(a)(iv) of the Immigration Act, which at present enforces a mediaeval attitude toward persons afflicted with epilepsy?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, on several occasions I have indicated my own distaste for the wording of the act as currently administered, and I am sure that this is shared by all members of the House. I have also indicated that the Immigration Act is in the process of significant and large revision. In the meantime we are continuing to issue minister's permits to people with epilepsy. I think that section of the act will be removed when the Immigration Act is revised, hopefully during this year.

Mr. McKinnon: Mr. Speaker, my supplementary is for the same minister. Has the minister asked the Government House Leader for a priority position for his major bill amending the Immigration Act? At present it is charitable to refer to its progress as glacier-like. When does the minister expect it to be passed into law? What is his target date?

Mr. Andras: Mr. Speaker, there is a contradiction in the hon. member's comment and others in which it has been said that we were trying to rush this and proceed too quickly. I think we are finding a happy balance; we have made a very considerable effort to get the views of Canadians during this past year. We did commit ourselves not to proceed with the development of policy until the report of the joint committee of the House and Senate was tabled. That was tabled in November. We are proceeding now with despatch, but I do not think we will be placing the bill before the House of Commons within the next short time. Indeed, it is a very significant change we are looking at now and I would anticipate passage of the bill during this year.

SUGGESTED EARLY DELETION OF PROVISION CONCERNING EPILEPSY

Mr. Jake Epp (Provencher): Mr. Speaker, I have a supplementary for the same minister. In view of the minister's stated opinion that a new Immigration Act will be brought forward this year, obviously time is needed for the passage of that bill, and in view of the former representations made by myself and other members of this House that speedy passage be given to the deletion of section 5 concerning the restrictions relative to epilepsy, would the minister give us an undertaking that in this session he will bring in an amendment so that this part of the bill could be passed and people given landed immigrant status rather than the weak position in which they find themselves under minister's permits.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am very sympathetic to the suggestion. I would point out, however, that there are many anachronisms in the Act of which we are all aware. This one, of course, has had some very understandable attention by the country because of recent events. We are looking into specific cases with a full understanding of the wording of the outmoded Act and are handling them now on minister's permits. I cannot honestly feel people are being inhibited, particularly with the assurance of myself and the government that that section will be deleted. I have to say there are many other inequities in this Act which I believe deserve equal attention. I would really prefer to wrap it all up in the broader amendments which the hon. member and others are helping me develop.

* * *

EXTERNAL AFFAIRS

ALLEGED QUESTIONING OF FOUR CANADIANS BY RUSSIAN AGENTS IN CUBA—GOVERNMENT POSITION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question and hopefully a short supplementary for the Acting Prime Minister. I should like to ask him why the Government of Canada made no protest in respect of the four Canadians who made a forced landing in Cuba where they were held in custody, allegedly by Russian KGB agents, on December 30. I should like to ask him if the Prime Minister is discussing this matter with Prime Minister Fidel Castro.

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, this matter was put before the government right after the pilot's return and a department officer immediately contacted him and asked him what difficulties and conditions he had to face.

[*English*]

Mr. Cossitt: Mr. Speaker, is it government policy to take no specific action at a time when Canadian citizens are held in a foreign country and questioned by Russian KGB agents? Also, would the policy be similar if Canadians were found in another country and were questioned by members of the Central Intelligence Agency.

NATIONAL DEFENCE

REASON FOR CLOSING OF BASES—REQUEST FOR ASSURANCE OF COMMITTEE STUDY BEFORE BASES CLOSED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of National Defence a question concerning the phasing out and closing of certain armed forces bases, particularly in the city of Calgary, where 2,800 men are stationed and where 480 civilians are working. The replacement of these facilities would probably involve something in the order of $150 million to $250 million. Why is that being reviewed and what is the purpose of a closure or phase-out in that part of the country.

Hon. James Richardson (Minister of National Defence): Well, Mr. Speaker, the rationalization of our infrastructure is proceeding, as I indicated several weeks ago in the House when I made the announcement of the other decisions concerning national defence, but there have been no specific decisions on bases and no base closures have been decided at this time, including Calgary.

Mr. Woolliams: Mr. Speaker, will the minister undertake to assure the House and the country that before any decisions are made concerning these armed forces bases, the matter will be referred to the Standing Committee on External Affairs and National Defence so that the facts will be before the public and so that we may be sure there is not discrimination.

Mr. Richardson: Mr. Speaker, I cannot give that assurance.

* * *

FISHERIES

ALLEGATION SIGNING MULTILATERAL AGREEMENTS ON MARINE RESOURCE MANAGEMENT THREAT TO SUCCESS OF LAW OF THE SEA CONFERENCE—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of State for Fisheries in the absence of the Secretary of State for External Affairs. In view of the fact that a task force report to a trilateral commission, of which Canada is a participant, warns against multilateral arrangements by governments as a threat to the success of the conference, and in view of the fact that Canada has signed fisheries management negotiations with several countries contrary to the advice of the report, would the minister indicate whether or not this action is being taken because it now is obvious that international agreement will not be reached in New York? If not, what is the position Canada will be taking?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I am not familiar with the advice the hon. member refers to, but certainly the example set by Canada that negotiated bilateral agreement should precede extension of jurisdiction is a very wise course. This is amply demonstrated by those countries which are now imitating us. Certainly nothing we are doing would pre-judge in any way the outcome of the New York meeting. We are getting ready for all eventualities.

Oral Questions

ARRANGEMENTS WITH FRANCE CONCERNING EXTENSION OF JURISDICTION OVER MARINE RESOURCES

Mr. Jack Marshall (Humber-St George's-St. Barbe): Mr. Speaker, in view of the fact that more nations are declaring unilateral action and it has come out of the colloquium that Sri Lanka and Kenya expressed a desire that enabling legislation be produced to declare unilateral action, would the minister indicate in the arrangements with the various countries concerning fishing agreements what is the position with regard to France, particularly concerning St. Pierre-Miquelon which can cause problems in respect of declaring a 200-mile limit.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, the wisdom of the Canadian government is shown by the fact that enabling legislation has existed since 1971. It is only a matter of an order in council and a 60-day delay for jurisdiction to be extended. So, that course is already covered. As for the relations with France, in the case of extension of jurisdiction there is already a treaty with France covering what our fisheries relations would be. The boundaries matter is obviously more complicated.

* * *

ENERGY

POSSIBLE MEASURES TO PREVENT INCREASE IN COST OF OIL USED BY ATLANTIC PROVINCES TO GENERATE ELECTRICITY

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact that the heads of the three provincially-owned generating systems in the Atlantic provinces and the energy advisor to the Prince Edward Island government all agreed at a meeting held last week that rising oil prices and the reduction or elimination of the federal oil import subsidy would likely result in a doubling of existing power rates by 1980 in the Atlantic provinces, I would like to ask the minister what initiative his department intends to take to stave off what can only be considered as a crisis with many side consequences for that region of Canada.

● (1450)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think the hon. member knows we have taken considerable steps to phase in the price of oil and natural gas in Canada, particularly oil as far as the Atlantic provinces are concerned. We have cushioned the consumers of oil in the Atlantic provinces by compensation.

Another point I wish to make is that we have been very active in trying to assist the Atlantic provinces develop their own electric power generating capacity without relying on oil, and of course I refer to the Le Preau installation in the province of New Brunswick.

Mr. Hogan: I listened intently to the minister's answer, but surely the minister realizes that if electricity from oil fired thermal stations, which cost about 18 mills per kilowatt hour now, is going to double by 1980, and that is based on a conservative projected oil cost of $12.19 per barrel for oil—

[Mr. LeBlanc (Westmorland-Kent).]

Mr. Speaker: Order.

Mr. Hogan: —then a rethinking on the subsidy matter is now needed.

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

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ENVIRONMENTAL AFFAIRS

MEASURES TO PREVENT POLLUTION FROM SUNKEN "IRVING WHALE"—GOVERNMENT POSITION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the new Minister of the Environment. I welcome the minister to this new position, and perhaps in light of the fact that earlier he served in the transport portfolio, he may be aware in more detail of the particular question I am about to ask. It is with respect to the continuing pollution danger of the *Irving Whale*, which was inspected not too long ago by one of the ships of the new minister's department. Comments have been made that that inspection was primarily a public relations effort and that there is continuing danger and some seepage from the *Irving Whale*. In view of the danger both to the marine ecology and to the tourist and fisheries industries of Prince Edward Island, I wonder whether the minister will make a statement indicating what final steps will be taken to prevent any massive danger or future deterioration of the hull of the *Irving Whale*.

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, the only thing I know about the *Irving Whale* is what I learned from the Ministry of Transport, that it was more dangerous to try to lift the *Irving Whale* than to leave her there. Perhaps there have been some developments since that time, and I would be happy to hear from either my department or the Department of Transport if this opinion has changed.

Mr. MacDonald (Egmont): In view of the fact that during the past year attempts have been made to examine, by use of a submersible, the actual condition of the *Irving Whale* and that there has been no statement or actual scientific material tabled with respect to the comparative dangers either of removing her or of taking other action to prevent her deterioration and pollution of the environment, could the minister indicate that there will be some full and frank disclosures of the several issues which are involved so that the people of Prince Edward Island may be relieved of the anxiety they have with respect to this problem?

Mr. Marchand (Langelier): There have been some studies made on this, and there have been people travelling around the world trying to learn the expertise of other countries. The answer is the one I gave, that it is more dangerous to remove the ship than to leave her there. Perhaps I can check if there are any new developments, and I will answer more fully to the hon. member.

POST OFFICE

LOSS OF MAIL BAGS CONTAINING OLYMPIC LOTTERY STUBS—REQUEST FOR REPORT ON EFFORTS TO LOCATE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Postmaster General. Can the minister tell the House whether the Post Office has yet located the five bags of mail, including one bag of registered mail, with 53 winning Olympic lottery stubs in it which went astray en route from Guelph to Montreal last September 29?

Hon. Bryce Mackasey (Postmaster General): Not as yet, Mr. Speaker. In the meantime we are making sure nobody claims the winning tickets.

* * *

INQUIRY OF THE MINISTRY

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, in the absence of the Prime Minister I wish to ask a question of the Acting Prime Minister which relates to the musings of the Prime Minister about a more controlled society in the future.

Some hon. Members: Oh, oh!

Mr. Beatty: Can the Acting Prime Minister tell the House whether the Prime Minister's new society will be run by the same people the Post Office—

Some hon. Members: Order.

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

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AGRICULTURE

DATE OF INTRODUCTION OF PROGRAM FOR COW-CALF PRODUCERS

Mr. Peter Elzinga (Pembina): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the fact that the minister promised a program for cow-calf producers months ago, would the minister make a commitment to the House as to when he will be coming forward with a program for this distressed industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I answered that question before the House recessed at Christmas.

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[*Translation*]

OLYMPIC GAMES

SUGGESTED FEDERAL AID IN FINANCING

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the Minister of National Health and Welfare, particularly as leader of the Quebec Liberal caucus.

Last weekend, an in camera meeting was held in Montreal during which 250 members of the general council of the Liberal party from Quebec unanimously adopted a resolution urging Mr. Bourassa to ask financial support for the Olympic Games. Considering that the Quebec premier is asking his federal colleagues to support his proposition, I wish to ask the Minister of National Health and Welfare if he will take the opportunity of the first meeting of the Liberal caucus to urge his colleagues, ministers as well as members of parliament, to support the Quebec premier's proposition?

* * *

[*English*]

ANTI-INFLATION BOARD

JURISDICTION TO DEAL WITH PROVINCIAL CROWN CORPORATIONS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, in the absence of the Minister of Finance my question is to the Acting Prime Minister. I hope his answer will shed some light on the question of the jurisdiction of the Anti-Inflation Board over the provinces and their agencies. In particular I ask whether the AIB is expected, as was previously announced, to follow the general provisions of the Income Tax Act, and whether we can expect therefore that the Board will be authorized to deal with provincial Crown corporations in a way different from that of ordinary provincial agencies.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. member seems to be asking for a legal opinion. I should like at least to read the exact terms of the question.

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AGRICULTURE

POSSIBILITY OF NEW DAIRY POLICY BEFORE APRIL 8—GOVERNMENT POSITION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is to the Minister of Agriculture. Given the fact that dairy farmers are receiving less now than they were 18 months ago, which would suggest that they need more production, and given the fact that the minister is saying they are over producing, can we expect from the minister a dairy policy prior to April 8, a sane and sensible dairy policy which would give dairy farmers a reasonable return on their investment?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, they are not getting less for their production, as the hon. member says. They are getting the same amount of money I said I would give them last year. They are producing more than is economically feasible when there is no market. That is a waste of time and energy.

Mr. Ellis: Surely in a world which is short of food over production in any form of food is necessary.

Electoral Boundaries Readjustment Act

POSSIBLE FREEDOM TO SELL SURPLUS DAIRY PRODUCTS—GOVERNMENT POSITION

Mr. Gordon Towers (Red Deer): Mr. Speaker, in view of the statement made by the Minister of Agriculture to the dairy producers of Canada they should cut back production because of increasing surpluses of milk products, and in view of carrying costs of surplus products to the industry and the Canadian taxpayer, would the minister be prepared to give entrepreneurs of the condemned free enterprise system the go ahead and the co-operation required to promote the sale of the products surplus to the requirements of Canadians?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in the total world supply of skim milk powder at the present time there is 1,600,000 tons of surplus skim milk powder. The free market is there for entrepreneurs. If they want to advertise all the products they have, they can do that. There is no control to stop them from doing that. If the hon. member wants to know, the entrepreneurs in the dairy industry are yelling just as loudly as the dairy farmers for me to stop imports from all over the world coming into Canada.

Some hon. Members: Hear, hear!

Mr. Towers: In view of the fact that orders for hundreds of thousands of pounds of dairy products are available throughout the world, would the minister state whether the government will be taking any action to facilitate the sale and movement of surplus food products, and if so, what?

Mr. Whelan: There is only a market for a certain amount of this product in the world. We have tried every way to put it into food aid, and when hon. members suggest that the starving world could consume this food, that is utter nonsense. If they want to investigate they will find out that the world distribution system cannot distribute it even if there was a need for it, and we cannot find that need at the present time.

Some hon. Members: Oh, oh!

Mr. Whelan: And the whole skim milk powder world is doing the same thing with the same products. They all have surplus, including the European Community, New Zealand, Australia, and several other countries as well.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF COMMISSION'S REPORT RESPECTING NOVA SCOTIA

Mr. Speaker: It is my duty, pursuant to section 19 of the Electoral Boundaries Readjustment Act, chapter E-2 of the Revised Statutes of Canada, 1970, to lay upon the table of the House a certified copy of the report of the Electoral Boundaries Commission for the province of Nova Scotia, 1976.

[Mr. Ellis.]

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BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, I understand that the government House leader is prepared at this time to indicate the nature of the business of the House for the foreseeable future.

Mr. Sharp: Mr. Speaker, there have been some of the usual discussions amongst House leaders and I think we are more or less agreed upon this program. For the present week, we should like to consider and dispose of the following motions: completion of Bill C-78, the Halifax Relief Commission; Bill C-41, western grain stabilization, which is at third reading; and Bill C-71, amendments to the Criminal Code: we would also like to complete second reading of Bill C-20, second reading amendments to the Citizenship Act. If we have any time, after disposing of those items we would take Bill S-10, Senate amendments to the Feeds Act.

For the following week, I should like to indicate what our intentions are because I know hon. members are concerned about more contentious pieces of legislation. I am not quite sure in what order, but we would call at least two bills, Bill C-58 and Bill C-81 relating to the escalation of MP's salaries. I have also indicated to the House leaders that if they wish to discuss the economic situation, or any related matters, we would be prepared to set aside a day or so for an allotted day, if that is the desire of the opposition.

Mr. Baldwin: Mr. Speaker, on that latter point, we would wait until the *corpus delicti* returns. I should like to ask if the government House leader has confirmed that at the moment it is not the intention of the government, in the foreseeable future, to have a new session of parliament with a new throne speech debate, and the government intends to proceed according to the guidelines laid down in September, 1974, with regard to the program now on the order paper and other legislation which it might have in mind.

Mr. Sharp: Mr. Speaker, the government has tentatively decided that it would probably be very difficult to find a place before the summer adjournment for a speech from the throne debate. Moreover, a number of items of the present session remain to be dealt with, and a number of others are fairly closely related. The government might be disposed to review this decision if we make very rapid progress with what remains on the order paper at the present time. However, the House leader for the official opposition has expressed our present intentions.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this does not present an opportunity to discuss the matter, but I should like it to be clear that I have already indicated our objection to the government's plan to carry on this session indefinitely. We think that the time has come for a new throne speech, a new debate and a new testing of the confidence of the House. We hope that this session will not

be continued longer than is necessary in order to deal with the items already on the order paper.

While I am on my feet, Mr. Speaker, may I express the hope that the day that is being suggested for discussion of economic matters might be a government day, and that the minister will not just stand and say, that the government is willing that we use one of our days. One other question, Mr. Speaker: when are we going to see the bill implementing the unanimous decision of the Standing Committee on Veterans Affairs regarding Canadian veterans who were prisoners of war?

Mr. Sharp: Mr. Speaker, I would forbear any comments on the other remarks of the hon. member, and would simply say the government has not made a decision on the final part of his question.

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MANPOWER AND IMMIGRATION

REPORT OF COMMISSION OF INQUIRY RELATING TO DEPARTMENT IN MONTREAL

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, under the provisions of Standing Order 41(2), I wish to table, in our two official languages, the report of the commission of inquiry relating to the Department of Manpower and Immigration in Montreal.

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ENERGY

PORT HOPE, ONT.—TABLING OF REPORT ON RADON LEVELS AT ST. MARY'S SCHOOL

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2), I am pleased to table a report on radon levels at St. Mary's school at Port Hope, Ontario.

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CRIMINAL CODE

PETITION FOR RESTRICTING AVAILABILITY OF FIREARMS

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have the honour to present a petition signed by 7,486 high school students of the city of Ottawa and area, in which they point out that there have been recent incidents in Canadian high schools in which firearms were used to wound and kill students and staff, that the learning atmosphere in classrooms has deteriorated, and that students and staff have the right to an educational environment which is free from fear. They therefore petition that this House enact legislation as soon as possible restricting the availability of firearms.

Some hon. Members: Hear, hear!

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,986, 3,111, 3,139, 3,145, 3,153, 3,157, 3,229, 3,234, 3,263, 3,307, 3,308, 3,309, 3,310, 3,333, 3,337, 3,357, 3,463, 3,464, 3,466, 3,467, 3,472, 3,480, 3,489, 3,493, 3,495, 3,501, 3,506, 3,509, 3,521, 3,523, 3,551, 3,555, 3,558, 3,561, 3,570, 3,574, 3,587, 3,589, 3,591, 3,595, 3,598, 3,600, 3,607, 3,609, 3,614, 3,618, 3,620, 3,622, 3,623, 3,625, 3,633, 3,638, 3,639, 3,656, 3,659, 3,660, 3,662, 3,663, 3,664, 3,668, 3,671, 3,672, 3,673, 3,675, 3,680, 3,686, 3,687, 3,689, 3,690, 3,709, 3,712, 3,713, 3,714, 3,716, 3,718, 3,725, 3,726, 3,728, 3,729, 3,731, 3,734, 3,735, 3,736, 3,738, 3,739, 3,740, 3,741, 3,742 3,745, 3,747, 3,748, 3,749, 3,751, 3,753, 3,758, 3,759, 3,760, 3,761, 3,764, 3,768, 3,770, 3,774, 3,777, 3,780, 3,783, 3,787, 3,788, 3,798, 3,799, 3,805, 3,808, 3,809, 3,817, 3,818, 3,819, 3,856, 3,871, 3,873, 3,874, 3,877, 3,878, 3,879 and 3,881.

[*Text*]

SOVIET FISH CATCH

Question No. 2,986—**Mr. Jones:**

1. What has been the quantity of fish caught by Russian trawlers within the 200 mile limit off Canada's eastern coast for each year 1970 to 1975?

2. What steps have been or will be taken to assure that Russian and other foreign fishing trawlers will be prevented from fishing within the 200 mile limit off Canadian coasts?

3. What steps have been taken to limit the catch of Russian and other foreign fishing trawlers to a quantity to be set and determined by Canadian officials?

4. What steps have been taken to assure that Canada does not operate give away programmes to Russia but makes Russia pay the full world rate with a large payment in gold?

5. Has consideration been given in negotiating with Russia to use the sale of wheat as a bargaining point to secure the import of Russian oil at a rate below current Arab demands?

6. (a) How much money does Canada have on loan to Russia (i) what is the interest rate (ii) what are the terms (iii) for what purpose (b) what are the details of other terms and conditions of the various loans?

7. How much money does Canada have in loan from Russia and what are the terms and conditions?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of the Environment, Industry, Trade and Commerce and Finance as follows: 1. Using data supplied by the Soviet Union to the Internation Commission for the Northwest Atlantic Fisheries (ICNAF) on catches made within the Commission area, Canadian scientists estimate that Soviet catches within 200 miles of Canada's coast have been: 1970, 510,000 metric tons; 1971, 559,000 metric tons; 1972, 580,000 metric tons; 1973, 853,000 metric tons; 1974, 745,000 metric tons; 1975 to end of May, 227,000 metric tons.

2. Canada intends to control foreign fishing within the 200 mile limit along the Canadian coast, but not to prevent all such fishing. At the Law of the Sea Conference, Canada is endeavouring to negotiate an international accord which will give Canada responsibility for the management and conservation of the fish stocks of a 200 mile "economic zone," and which will allow Canadian fishermen to fish to

their maximum capacity within conservation limits set by Canada. Foreign fishing vessels would then be allowed to fish, under terms and conditions established by the Canadian Government, within the zone for stocks surplus to Canada's needs.

3. Soviet vessels are not permitted to fish within Canada's territorial seas and fishing zones, except for a small area of the territorial sea off the west coast, under the terms of a bilateral treaty whereby the U.S.S.R. have agreed to abstain from fishing in an area of the high seas of special importance to Canadian fishermen. On the Atlantic coast, "phasing out" and reciprocal agreements permit six other nations to fish in parts of the Gulf of St. Lawrence and parts of the outer nine miles of the territorial sea, under strict limits regarding the effort that may be employed. Beyond the territorial sea and fishing zones, the Canadian Government, at present, has no authority to control the activities of foreign fishing fleets, however, within the framework of ICNAF, quotas and other conservation measures are negotiated annually to provide for conservation of the stocks. Canada is not satisfied with the measures taken by ICNAF or with the adherence by some nations to agreed regulations. At a special meeting of ICNAF held in Montreal in September, Canada was successful in obtaining a 40 per cent reduction in foreign fishing effort for groundfish off the Canadian coast, and in having the Total Allowable catches for certain depleted stocks reduced to quantities that will allow rebuilding to higher sustainable levels.

4 and 5. The Soviet Union pays for Canadian exports in internationally accepted means of payment (fully convertible currencies) with prices determined by individual buyers and sellers at internationally competitive levels. None of our other trading partners are asked to make payment in gold and we have no reason to single out the USSR and prevent them from using the normal commercial means of payments. In any event, now that the price of gold is allowed to fluctuate according to international supply and demand it is not necessarily a more riskless form of payment than convertible currencies.

6 and 7. Nil.

RIDEAU CENTRE PROJECT

Question No. 3,111—**Mr. Baker (Grenville-Carleton):**

1. What did the government pay in land assembly costs, by item, for the Rideau Centre Project?

2. (a) Who owns what parcels of land that are part of the Rideau Centre Project (b) what is the current market value of all such land?

3. How much is CP Hotels paying for the land?

4. What are the total costs, by item, for the Rideau Centre including commercial, office, transportation, utilities and land costs?

5. What prices will prospective tenants pay for using the proposed Rideau Street Mall area and will ownership of Rideau Street remain with the government?

6. Is Eatons of Canada being considered for location in the Rideau Centre Project and, if so (a) for what reason (b) what occupancy prices and financial arrangements are there between Eatons and the government?

7. Which new arterial roads will be needed with the closing of Rideau Street and at what cost?

8. Is the basis of the Rideau Centre Project acceptance of the proposed Region's southern growth satellite area?

9. Will the Rideau Centre Project have any residential units as part of its development and, if so (a) how many, what type, etc. (b) what are the reasons for such inclusion or exclusion?

10. Will there be sufficient open space in the Rideau Centre Project and, if so, how much?

11. Is one million square feet of office space needed in the Rideau Centre Project and, if so (a) for what reason (b) does this substantially increase the density of downtown Ottawa?

12. What is the optimum density of downtown Ottawa according to project planners?

13. Was public involvement in planning the Rideau Centre started a few years ago at the Project's beginning and, if not, for what reason?

14. What is public involvement in the Project meant to accomplish?

15. (a) Which groups will benefit and in what way from the Rideau Centre Project (b) which groups will not?

[Mr. Sharp.]

Hon. Barney Danson (Minister of State for Urban Affairs): 1. In addition to original Crown lands by right of conquest, the cost of the federal lands in the federal development area approximates $3,045,000.

NOTE: Boundaries of the federal development area are Rideau Street, Colonel By Drive, Mackenzie King Bridge, Nicholas Street, Besserer Street and Freiman Street. The extent of a larger redevelopment area depends on interest shown by the private sector, the City of Ottawa and the Regional Municipality of Ottawa-Carleton.

2. (a) Land is now owned in federal development area by: National Capital Commission, 4.42 acres; Dept. of Public Works, 1.63 acres; Dept. of Indian and Northern Affairs, 4.50 acres; City of Ottawa, 1.07 acres. (b) Current market value of federal lands in the federal development area is estimated at $25-30 million.

3. CP Hotels are expected to lease their site at market rates as one part of a comprehensive plan.

4. Total costs are not known at this time. The Rideau Centre Planning Team is in the process of assembling such cost estimates.

5. Current commercial rental rates will apply to prospective tenants. Rideau Street, now a regional road under the Regional Municipality of Ottawa-Carleton, is expected to be transferred to the City of Ottawa and will not be subject to federal intervention.

6. Yes. (a) A major department store is considered to be essential to any strong regional commercial centre such as Rideau Centre. (b) An agreement is currently being negotiated between DPW and Eaton's for the construction of commercial space and some office accommodation to be built on land leased from the federal government.

7. A short section of Waller Street will need improvement as an arterial road. Costs are subject to continuing negotiations referred to under part 4 above.

8. No.

9. (a) None on the federal land portion. Rehabilitation of some Lower Town West and Sandy Hill residential areas is within the total development area. (b) Residential construction is not considered the best land use for federal lands, although the hotel represents a form of residential use. The City of Ottawa has identified adjacent residential sites.

10. Yes. Approximately 3 acres of federal land will be open space in keeping with a strong orientation to pedestrian attraction.

11. Yes. (a) Office space is needed to meet DPW accommodation forecasts. The Rideau Centre location of federal offices will help correct the imbalance between the downtown area south and south-west of Parliament Hill and the east side of the Rideau Canal. (b) No.

12. Clarification is required to answer this question.

13. Citizens representing property owners, tenants and business groups have been informed and have had membership on the Planning Team for over two years. There has been direct public representation through the Federation of Citizens Associations since May, 1975.

14. Public involvement is intended to provide information and a better understanding of the proposals, together with the opportunity for citizen critique and input from private sector interests and the community at large.

15. (a) Canadians generally will benefit through creation of an exemplary urban environment for the National Capital in a location adjacent to Parliament Hill. Rideau Centre will benefit both the City of Ottawa and the Regional Municipality of Ottawa-Carleton as well as the whole National Capital Region by reversing the relative decline of the Rideau sector of the Core Area through an increase in the assessment base and additional business revenues. Rideau Centre will reinforce the urban heritage value of the Byward Market-Sussex Drive area and support the objectives of heritage groups. Rideau Centre can become a useful example for citizen and planning groups elsewhere in Canada through its planning process and its design product, as the result of federal-municipal-citizen joint participation. (b) It is difficult to determine any groups that will be affected adversely by the development.

SALT WATER FISHING REGULATIONS FOR BRITISH COLUMBIA, 1975

Question No. 3,139—**Mr. Brisco:**

Did the government forward the Salt Water Fishing Regulations for British Columbia for 1975 to the British Columbia Department of Recreation and Conservation for publication in provincial fishing regulations and, if so, on what date?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): No. The Salt Water Fishing Regulations, both commercial and sport, and any regulations pertaining to salmon sports fishing in B.C., wherever conducted, are administered by the Federal Government, and are summarized for easy reference by the public in publications issued each spring by the Fisheries and Marine Service of the Department of the Environment in Vancouver.

PURCHASES OF FILMS BY CBC

Question No. 3,145—**Mr. Friesen:**

1. How many films were purchased by CBC from foreign producers, both independents and foreign broadcasting companies, in 1973 and 1974?

2. How many films were purchased from independent Canadian film producers for use by CBC in 1973, 1974 and in each month of 1975 to date?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. 1973, English and French networks—2,027; 1974, English and French networks—2,197.

2. Canadian films purchased by English and French networks from independent Canadian film producers, either directly or through a film distributor: 1973, 1,518; 1974, 934; 1975 (to October), 938.

"WHY NOT—POURQUOI PAS" PROGRAM

Question No. 3,153—**Mr. Reynolds:**

1. What is the cost to date of the "Why not-Pourquoi pas" Programme?

2. How much of the money has been for (a) buttons (b) newspaper ads (c) radio ads (d) television ads?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. As of December 1, 1975: $948,155 (This includes the total advertising program as well as materials such as buttons, stickers, posters, information kits, etc. These materials were mailed out in response to the print advertisement coupons and to direct requests. They were distributed as well by field staff, etc.).

2. (a) $62,224; (b), (c), (d) See answer to Parliamentary Enquiry 1,829, part 2, tabled in the House on April 17, 1975.

CBC ENGLISH AND FRENCH NETWORKS

Question No. 3,157—**Mr. Reynolds:**

1. For each year 1973 and 1974, what was the total budget of CBC (a) English network (b) French network?

2. For the same years, how many persons were employed in CBC (a) English network (b) French network and, in each case, how many were classified as bilingual?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows:

1. (a) and (b)		(i) Budget ($000s)
Fiscal year 1973-74		
English Services Division	(ii)	148,532
French Services Division	(ii)	95,598
Ottawa Area	(iii)	9,206
Fiscal year 1974-75		
English Services Division		171,055
French Services Division		105,143
Ottawa Area		11,004

Fiscal year 1974-75: English Services Division, 171,055; French Services Division, 105,143; Ottawa Area, 11,004.

NOTES: (i) The figures for budgets represent the cost of producing and distributing programs to CBC-owned-and-operated and affiliated stations, together with the general

administrative costs of the respective divisions. (ii) Both the English Services Division and the French Services Division have under their general administrative control, at certain locations, stations producing and/or broadcasting in the other official language. Related costs are reflected in the budgets of the division exercising such administrative control. (iii) The figures for the English Services Division and the French Services Division do not include the budgets for the CBC's English and French television and radio stations in the administratively distinct Ottawa Area, where English and French production are approximately the same.

2. (a) and (b) English Services Division: 1973, 4,786; 1974, 4,970. French Services Division: 1973, 3,306; 1974, 3,495. Ottawa Area: 1973, 484; 1974, 510. CBC employment records have not been maintained in a manner which would enable the corporation to extract readily and without an inordinate amount of time, work and cost, information about the mother tongue and language proficiencies of its employees. In addition, since the corporation's records do not necessarily contain the requested information, the final answer would not be complete.

COST OF NEW BANK OF CANADA BUILDING

Question No. 3,229—**Mr. Coates:**

1. What is the total estimated cost of the new Bank of Canada Building on Wellington Street?

2. What is the estimated cost of (a) site acquisition (b) architectural design (c) mechanical and electrical engineering services (d) foundation and structure (e) landscaping and interior design, including the connecting link with the existing Bank Building?

3. What are the names of the firms who have been awarded contracts in Part 2 (b) (c) (d) and (e)?

4. (a) What was the purchase price of the site (b) from whom was it purchased (c) how was the decision reached as to the cost of the property?

5. What is the estimated (a) annual operating cost of the Building (b) total amount of useable floor space?

Hon. Donald S. Macdonald (Minister of Finance): 1. The plans for the additions to the Bank of Canada building on Wellington Street in Ottawa were approved by the Bank's Board in January 1972. The additions were designed to preserve the existing building and to permit the consolidation in one complex of all the Ottawa operations of the Bank, including those now housed in the Bank's King Edward Avenue building and in a number of temporary locations. The first and major phase of the work is now nearly ready for occupancy. When completed the additions will consist of below-grade space (three floors in most parts) for the entire area bounded by Wellington, Bank, Sparks and Kent Streets except for that part already occupied by the basement of the existing building, two twelve-storey towers flanking the existing building, and a garden court and bridges connecting the three buildings. The additional area will include 30,000 square feet gross of prime vault space, 246,000 square feet gross of other space below grade (to be occupied in due course by up to 300 persons engaged for the most part in high-security work), 13,000 square feet of garden court, 5,000 square feet of connecting bridges, 436,000 square feet gross of other enclosed space on and above grade, and some 60,000 square feet of open space on grade level. The additions will contain about 11.2 million cubic feet. The total cost of constructing the additions (exclusive of site purchase, architectural costs, landscaping, and interior partitions, furniture and furnishings and special-purpose built-in equipment) is currently estimated to be $45 million. Of this amount $29.5 million has been contracted for at fixed price contracts as a result of tenders, with a further $14.9 million contracted for on the basis of a guaranteed upset price with 75 percent of any savings being for the benefit of the Bank. The current estimate of $45 million compares with the estimate of $36 million released by the Board of the Bank in October 1971, the difference being due to the extent of about one-half to subsequent additions to the work planned and one-half to higher costs than originally anticipated. The land and buildings surrounded by Wellington, Bank, Sparks and Kent Streets were purchased by the Bank of Canada in ten transactions from 1936 to 1964. The area involved is 114,550 square feet. In the case of each individual purchase the price was negotiated following independent professional appraisal. The existing head-office building of the Bank, which was built in 1937/38, is being preserved but it will require some exterior changes and extensive interior renovation and modification to integrate it with the new buildings. The cost of architectural services, including structural, mechanical and electrical designs, for the additions is estimated to be $2.7 million. The architects are the associated firms of Marani, Rounthwaite & Dick, and Erickson & Associates, and they engaged and paid the consulting firms of C.D. Carruthers & Wallace, Ardec Consulting Engineers, and Brais, Frigon, Hanley & Assoc. Ltd. for structural, mechanical and electrical design services. The cost of services of other outside consultants involved in the construction and inspections of the building is estimated to be $400,000; this amount includes the services of van der Meulen & Associates, landscape architects. The prime contractors to date have been V.K. Mason Construction Ltd. for excavation work and Ellis-Don Ltd. for the construction. The contract with Mason Construction Ltd. was let in December 1971, and with Ellis-Don Ltd. for work on the sub-structure in June 1972 and for work on the superstructure in May 1973 and in December 1975. Landscaping costs for the Bank's own project are estimated to be $685,000. The Bank is in addition sharing with the Department of Public Works and the City of Ottawa the cost of developing the Sparks Street Mall between Bank Street and Kent Street. The interior partitions, furniture and furnishings, and special-purpose built-in equipment for the additions, including six pollution-free incinerators for burning soiled and worn bank notes, cancelled coupons and cancelled bonds, and a highly specialized system for vault and building security, are estimated to cost $6 million. The interior design is by the associated architectural firms of Marani, Rounthwaite & Dick, and Erickson & Associates.

2, 3 and 4. See answer to question 1.

5. (a) No estimate is provided of the "annual operating cost" of the finished complex, in part because of the problem of knowing what expenses to include. The operating costs of the complex will be higher than for a typical office building of similar size because of its high security requirements. Because of the type of construction the maximum heating and cooling loads of the above-grade additions will exceed those of a conventional office building,

but the reverse will be the case for the considerable proportion of the total working area that is below grade. The heating and cooling systems have been designed to provide greater than average flexibility of operation and the annual energy consumption of the entire complex is not expected by the designers to differ appreciably from that of a conventional building large enough to provide comparable facilities for the Bank's staff and operations. (b) See answer to question 1.

OVERTIME—MEAT PACKING PLANT

Question No. 3,234—**Mr. Mitges:**

1. How much has the meat packing industry paid to the Health of Animals Branch, Department of Agriculture, for overtime services of the Department's veterinary inspectors and primary products inspectors for the fiscal years 1972-73, 1973-74 and 1974-75?

2. How much control does the Health of Animals Branch have over their employees' overtime in the Meat Inspection Division?

Hon. E. F. Whelan (Minister of Agriculture): 1. 1972-73, $1,438,000; 1973-74, $1,690,000; 1974-75, $2,571,000.

2. Employees' overtime in the Meat Inspection Division is based solely upon demands of the registered meat plant which must be served in accordance with the Meat Inspection Regulations. There is, therefore, no basic control available to the Health of Animals Branch.

CNR—REVENUE FROM SHIPMENT OF GRAIN

Question No. 3,263—**Mr. Mazankowski:**

For the years 1970 to 1974, what was the total revenue derived from the shipment of grain on the CN Coronado Subdivision and the CN Bonnyville Subdivision?

Hon. Otto E. Lang (Minister of Transport): The Management of Canadian National Railways advises as follows: Coronado: 1970, $765,745; 1971, $538,151; 1972, $621,577; 1973, $428,469; 1974, $427,367. Bonnyville: 1970, $251,160; 1971, $138,943; 1972, $168,945; 1973, $133,584; 1974, $134,849.

CANADA COUNCIL—PROJECT GRANT PROGRAM

Question No. 3,307—**Mr. Friesen:**

1. Under the terms of the Project Grant Programme for literary efforts, how many manuscripts were (a) submitted (b) accepted for a grant in each year 1970 to 1975?

2. How many persons were employed to assess the manuscripts and what were their names and qualifications?

3. What is the average time taken to assess each manuscript?

4. How many manuscripts took more than (a) six months (b) one year (c) eighteen months (d) two years from the date they were submitted until the assessment was completed?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canada Council as follows: (a) The exact figures are not available; in general two manuscripts were submitted for each one accepted. (b) 1970-71, 103; 1971-72, 161; 1972-73, 86; 1973-74, 47; 1974-75, 41.

2. Since 1970 over 200 persons, selected among Canadian writers and critics and among professors of Canadian literature in Canadian universities were consulted. A complete list of their names and qualifications is not readily available, and could be obtained only at prohibitive expense.

3. Each manuscript is submitted to two or three assessors; it takes three weeks on the average, for an assessor to read a book.

4. The information requested is not readily available and could be obtained only at prohibitive expense.

PUBLICATION OF BOOKS BY SONO NIS PRESS OF DELTA, B.C.

Question No. 3,308—**Mr. Friesen:**

1. How many books published by Sono Nis Press of Delta, British Columbia, were submitted to the Canada Council for consideration for the Governor General's Awards for Literature in 1972, 1973 and 1974?

2. For each year, were any of the books reviewed by the judges and (a) if so, how many (b) if not, for what reason?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canada Council as follows: 1 and 2. The Canada Council entertains no formal submissions in relation to the Governor General's Literary Awards, since the jury responsible for selecting the winning books is expected to review all books by Canadian Authors published during the year. However, the Council's records show that in 1971 and 1972, Sono Nis Press sent lists of eligible books to the Council, and these were brought to the attention of the jury chairman.

COLLECTION OF FICTION BY ANDREAS SCHROEDER

Question No. 3,309—**Mr. Friesen:**

1. How many times was a collection of fiction by Andreas Schroeder entitled *The Last Man* submitted to the Canada Council as a project for an aid to publications grant?

2. Had any of the pieces in the collection been previously published in Canada Council subsidized reviews or anthologies?

3. Did the Canada Council purchase copies of the book from Sono Nis Press and (a) if so, was the full price paid for the copies (b) if not, for what reason?

4. Does the Canada Council circulate the book in Canada or abroad?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canada Council as follows: 1. A collection of fiction by Andreas Schroeder entitled "The Late Man" (and not "The Last Man") has been submitted twice to the Canada Council.

2. The Canada Council does not have this information. No control is exercised over the material published in Council subsidized reviews. In the case of anthologies, assessors consider the overall quality of the project but not each item.

3. Yes; (a) Purchase was made under the Council's Book Purchase Program. The Canada Council is granted a 20 per cent discount by publishers whose books are bought and distributed under this program. (b) Not applicable.

4. Yes, this book is distributed both in Canada and abroad, under the Council's Book Purchase Program.

CITIZENSHIP OF JUDGES OF CANADA COUNCIL AWARDS

Question No. 3,310—**Mr. Friesen:**

1. How many of the judges or adjudicators of Canada Council awards or grants were (a) not Canadian (b) Canadian citizen in (i) 1970 (ii) 1971 (iii) 1972 (iv) 1973 (v) 1974 (vi) 1975?

Order Paper Questions

2. Did Mr. Warren Tallman ever serve as a judge or adjudicator for Canada Council awards or grants and, if so, for what period of time?

3. Was Mr. Tallman a landed immigrant at the time and, if so, how long had he held such status?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Canada Council and the Department of Manpower and Immigration as follows: 1. Canada Council adjudicators have been Canadian citizens, or landed immigrants for several years, selected for their knowledge of Canadian literature. Specific information on the citizenship status of each is not available.

2. Yes. Mr. Tallman served on a jury for the Governor General's Literary Awards in 1970.

3. Warren Eugene Tallman became a landed immigrant in Canada on October 7, 1958.

PUBLIC WORKS—LEASING OF SPACE, TORONTO

Question No. 3,333—**Mr. Beatty:**

1. What office space besides that on the 54th floor of the Toronto-Dominion Centre is being rented, has been rented at any time since 1968, or is currently expected to be rented by the government in the Toronto-Dominion Centre, Commerce Court or the new Bank of Montreal complex in Toronto, Ontario?

2. In each case (a) when was the space first leased (b) by which department was it used or was it to be used (c) on what date was it first leased (d) for what purpose was it used or to be used (e) what was the cost per assignable square foot when it was first leased (f) what is the present cost per assignable square foot (g) on what date was the present lease signed and what is its duration (h) on what floor(s) was space being rented and in which building was it being rented (*i*) how many square feet was being rented or is to be rented?

Hon. C. M. Drury (Minister of Public Works): The following chart covers all current and past leases. In addition, it is proposed to lease 10,721 square feet in the Royal Trust Tower of the Toronto Dominion Centre, 55 King Street West, for Manpower and Immigration to be used as a job information centre, and this is now being considered by Treasury Board. No proposals are presently being considered for office accommodation in the new Bank of Montreal complex at King and Bay.

Toronto-Dominion Centre
Royal Trust Tower
55 King Street West

Lease No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
41032	1970	External Affairs	15/01/70	Passport, application and processing	8.00	9.15	03/12/69 6 years 2 months 17 days	10th	6,016
41128	1970	Industry Trade and Commerce	15/12/70	Liaison (Now External Affairs Passports—01/11/74)	9.50	10.02	16/06/70 5 years 3 months	10th	1,030
41439	1974	Industry Trade and Commerce	01/11/74	Liaison Office	12.25	12.37	09/10/74 5 years	14th	1,367
Lease No. being assigned	1975	Finance	01/11/75	Anti Inflation Board	12.75	12.75	Not yet validated 3 years	21st	2,060

NOTE: Leases in Toronto-Dominion Centre call for the lessee to pay proportionate share of operating and maintenance cost of base year and proportionate share of taxes over base year after Audit by D.S.S. Audit Services.

Toronto-Dominion Centre
Bank Tower
55 King Street West

Lease No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
41801	1968	Post Office	01/01/68	Post Office	5.40	7.00	25/04/67 15 years	Concourse	4,276	
41805	1968	Transport	01/03/68	Air Service	6.00	(Terminated Feb. 28/73)	16/12/67 5 years	3rd	1,402	
41805	1968	Transport	01/03/73	Air Service	9.00	9.70	17/01/73 9 years 2 months	3rd	1,402	
67346	1967	Manpower and Immigration	01/04/67	Commercial and Professional Services	5.39	7.20	01/06/67 10 years 2 months	4th	24,897	Total of Lease No. 67346 = 126,423
"	"	Transport	"	Air Service	"	"	"	7th	24,970	
"	"	Public Service Commission	"	Regional Office	"	"	"	8th	14,914	
"	"	Transport	"	Air Service	"	"	"	8th	10,056	
"	"	Manpower and Immigration	"	Regional Office (Now Transport Regional Office)	"	"	"	23rd	25,826	
"	"	Manpower and Immigration		Regional Office (Now Dept. of Justice-eff.01/03/75)	"	"	"	24th	4,025	
"	"	Dept of Supply and Services		Print Service (Now Dept. of Justice)	"	"	"	24th	564	
"	"	Public Works Canada		Regional Office (Now Dept. of Justice-eff. 01/08/71)	"	"	"	24th	21,171	
41212	1972	Transport	01/02/72	Air Service	8.86	9.30	01/02/72 5 years 2 months	20th	11,197	
Lease No. being assigned	1975	Transport	15/11/75	Air Service Storage	4.00	1 year 5½ months	Basement	127		

[Mr. Friesen.]

Commerce Court
King and Bay Streets
Toronto, Ontario.

Lease No	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
41487	1974	Industry Trade and Commerce	15/03/74	Regional Office	1st-3rd year 8.39 4th and 5th year 6 50 plus 22.84 per cent of Taxes	14,56	01/04/74 5 years + 3 years 7½ months Option	51st	5,572
41299	1972	Post Office	01/09/72	Post Office	4.00	4.50	01/09/72 15 years	Service Level	3,265

NOTE: Lease #41487 Base rent is made up of $8.39 per square foot for years 1 to 3, plus 22.84 per cent of taxes charged to 51st floor. Then $6.50 per square foot for years 4 and 5, plus 22.84 per cent of taxes charged.

DIPLOMATIC ACCREDITATIONS

Question No. 3,337—**Mr. Clark (Rocky Mountain):**

1. As of October 31, 1975, what was the number of Canadians accredited as diplomats in (a) the Union of Soviet Socialist Republics (b) Czechoslovakia (c) Poland (d) Hungary (e) Romania (f) East Germany (g) Cuba?

2. As of October 31, 1975, how many representatives of (a) the Union of Soviet Socialist Republics (b) Czechoslovakia (c) Poland (d) Hungary (e) Romania (f) East Germany (g) Cuba were accredited as diplomats of that country in Canada?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): 1. (a) 13. (b) 5. (c) 9. (d) 4. (e) 11—accredited to Romania, but resident in Belgrade, Yugoslavia and Vienna, Austria. (f) none. (g) 6.

2. (a) 31. (b) 6. (c) 15. (d) 5. (e) 6. (f) none. (g) 9.

HOTEL RESERVATIONS

Question No. 3,357—**Mr. Cossitt:**

Does the government maintain permanent reservations at any hotels in the National Capital Region for the use of, or disposition by, Members of the Cabinet or any other government personnel or departments and, if so (a) what hotels (b) in each case, how many such permanent reservations are being held (c) what is the total cost per year at each hotel (d) are rooms paid for whether occupied or not (e) what are the names of all government personnel and departments so involved?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The Central Travel Service does not maintain permanent reservations at any hotel in the National Capital Region for the use of, or disposition by, members of the cabinet, any other government personnel or departments.

CBC RADIO EMPLOYEES IN FREDERICTON, MONCTON, HALIFAX AND SYDNEY

Question No. 3,463—**Mr. Howie:**

How many persons were employed by CBC Radio at (a) Fredericton (b) Moncton (c) Halifax (d) Sydney on January 1 (i) 1970 (ii) 1972 (iii) 1974 (iv) 1975?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: the employees answering through the radio line of authority in Fredericton, Moncton, Halifax and Sydney are:

	(i)	(ii)	(iii)	(iv)
As of January 31	1970	1972	1974	1975
(a) Fredericton	25	29	29	29
(b) Moncton	21	15	17	17
(c) Halifax	31	30	54	64
(d) Sydney	22	22	21	23

The above figures do not include employees who, at some of the locations listed, may be required to perform duties in either radio or television.

SUBSIDIZATION OF TOBACCO INDUSTRY

Question No. 3,464—**Mr. Howie:**

How much has been paid to subsidize the growing of tobacco in Canada in each fiscal year ended March 31 (a) 1970 (b) 1972 (c) 1974 (d) 1975?

Hon. E. F. Whelan (Minister of Agriculture): In so far as Agriculture Canada is concerned, the answer is: (a) to (d), Nil.

Order Paper Questions

TOTAL VALUE OF CANADA'S EXPORT TRADE

Question No. 3,466—**Mr. Howie:**

1. (a) What was the total value of Canada's export trade for the year 1974 (b) how much was with the (i) USA (ii) European Common Market countries?

2. How much involved manufactured goods sold to the (a) USA (b) European Common Market countries?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): As far as Statistics Canada is concerned: 1. (a) The total value of Canada's merchandise exports in the year 1974 was $32,177 million. (b) (i) and (ii) Of this amount, $21,325 million was sold to the USA and $4,047 million to the European Common Market.

2. (a) Fully manufactured goods (end products) sold to the USA amounted to $8,543 million. (b) The value of end products sold to the Community was $490 million.

AMOUNT EXPENDED TO DISCOURAGE USE OF TOBACCO PRODUCTS

Question No. 3,467—**Mr. Howie:**

How much has been expended to discourage the use of tobacco products in each fiscal year ended March 31 (a) 1970 (b) 1972 (c) 1974 (d) 1975?

Hon. Marc Lalonde (Minister of National Health and Welfare): (a) $260,436; (b) $381,271; (c) $485,739; (d) $557,479.

PER CAPITA GOVERNMENT EXPENDITURES

Question No. 3,472—**Mr. Schumacher:**

How much did the (a) government (b) provincial governments spend in total, per capita, for each year (i) 1934 (ii) 1944 (iii) 1954 (iv) 1964 (v) 1974 in current dollars?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. (a) and (b) Total federal and provincial government expenditures, on a national accounts basis, per capita and in current dollars for selected years are as follows:

	Total Federal Expenditures Per Capita	Total Provincial Expenditures Per Capita
1934	$ 38	$ 35
1944	445	40
1954	304	105
1964	415	284
1974	1281	1107

Total federal and provincial government expenditure as a percentage of gross national product at market prices for the same years are as follows:

	Total Federal Expenditures Per Cent	Total Provincial Expenditures Per Cent
1934	10.30	9.60
1944	44.90	3.98
1954	17.96	6.20
1964	15.93	10.91
1974	20.41	17.64

[Mr. Whelan.]

In addition to the above data the table below provides additional information on federal and provincial government expenditure by type of expenditure for 1974.

1974	Federal ($millions)	PerCent of G.N.P.	Provincial ($millions)	Per Cent of G.N.P.
Current and Capital Expenditure on Goods and Services	8335	5.92	9511	6.75
Transfer Payments to Persons (1)	8712	6.18	4244	3.01
Tranfer Payments to Business (2)	2206	1.57	645	0.46
Current Transfers to Non-Residents (3)	400	0.28	—	—
Interest on the Public Debt	2961	2.10	1503	1.07
Transfers to Other Levels of Government (4)	6146	4.36	8954	6.35
Total	28760	20.41	24857	17.64

(1) Includes, at the federal level, payments such as family and youth allowances, old age security pensions and unemployment insurance benefits, and at the provincial level payments such as social welfare payments, grants to post-secondary educational institutions and grants to private benevolent associations.

(2) Includes subsidies on current production and grants for capital purposes. At the federal level, examples of such payments would be the oil subsidy to eastern oil importers, payments to railway companies under the National Transportation Act, and agricultural subsidies.

(3) Includes foreign aid and development assistance and pensions paid abroad.

(4) At the federal level includes transfers to provincial and local governments. Provincial transfers include transfers to local governments, including school corporations, and the hospitals.

GRANTS TO URBAN RESEARCH COUNCIL OF CANADA UNDER NATIONAL HOUSING

Question No. 3,480—**Mr. Gilbert:**

Has a grant under Part V of the National Housing Act been given to the Urban Research Council of Canada (formerly the Canadian Council on Urban and Regional Research) by the (a) Central Mortgage and Housing Corporation (b) Ministry of State for Urban Affairs and, if so, in each case, what was the contribution for each fiscal year such grant was made?

Hon. Barney Danson (Minister of State for Urban Affairs): (a) The following grants have been made to the Urban Research Council of Canada, under Part V of the National Housing Act, from 1962-1971.

Year	Amount $
1962	78,000
1963	85,000
1964	92,000
1965	104,000
1966	109,000

Year	Amount
	$
1967	105,000
1968	146,000
1969	242,400
1970	150,000
1971	455,000

These grants were used to provide partial operational support, partially to cover the costs of the design of an urban information system and the provision of a computerized bibliographic service. (b) 1973-74, $407,879.00; 1974-75, $465,753.91; 1975-76, $80,000.00 (as of November 5, 1975).

CBC EMPLOYEES IN FOREIGN COUNTRIES

Question No. 3,489—**Mr. McKenzie:**

1. What is the number of personnel that CBC has in foreign countries?

2. How many are receiving housing or apartment subsidies and, in each case (a) what is the total amount of rent (b) what amount of (i) rent is paid by the employee (ii) the subsidy is paid by CBC?

3. Is a rent subsidy paid to employees and, if so, for what reason?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. 28.

2. 27. (a), (b), (i), (ii): (See following chart).

3. Yes. Full-time CBC employees abroad are on a foreign-allowance system based on the allowance paid to certain categories of employees of the Department of External Affairs. The CBC employee is charged the amount of rent he or she would normally pay in metropolitan Ottawa and the CBC pays the difference. Since it would be more expensive for the CBC to pay for the moving of employees furniture to foreign locations, in almost all cases, furnished accommodation is rented.

Rental Allowance by Month for full-time CBC Employees
Posted Abroad as of October 1975

	Actual	Own Share	Difference
1	1,333.12	301.00	1,032.12
2	922.58	264.00	658.58
3	805.80	161.00	644.80
4	1,545.70	264.00	1,281.70
5	1,413.00	167.00	1,246.00
6	1,396.95	301.00	1,095.95
7	263.00	250.00	13.00
8	446.25	152.00	294.25
9	1,417.50	167.00	1,250.50
10	533.61	147.00	386.61
11	603.75	167.00	436.75
12	409.50	141.00	268.50
13	551.25	272.00	279.25
14	630.00	272.00	358.00
15	735.00	217.00	518.00
16	328.65	156.00	172.65
17	600.60	264.00	336.60
18	483.00	264.00	219.00
19	741.87	274.00	467.87
20	486.85	160.00	326.85
21	486.85	272.00	214.85
22	973.70	264.00	709.70
23	973.70	264.00	709.70
24	1,112.80	283.00	829.80
25	727.60	272.00	455.60
26	880.97	147.00	733.97
27	880.97	264.00	616.97
	21,684.57	6,127.00	15,557.57

NOTE: Several of the above items reflect on the one hand, the difference between accommodation for a married and single employee in so far as the "own share" formula is concerned and, on the other hand the increase in actual rents over the past four years whereby single accommodation is now as expensive as family accommodation acquired under the terms of a much earlier lease.

CBC—PURCHASES OF TELEVISION PIECES FROM FREELANCERS

Question No. 3,493—**Mr. Clark (Rocky Mountain):**

1. For each month April, May and June, 1975, how much money was spent by CBC on the purchase of television pieces from freelancers for national news or other national information programmes and by province how many pieces were purchased in that period?

2. Does CBC have a policy respecting the purchase of television pieces from freelancers for (a) national news (b) other national information programmes and, if so, what is such policy?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. English network: April, 3 items, $8,200; May, 5 items, $3,300; June, 4 items, $15,375. Origin: 8 items from Ontario; 4 items from outside Canada. French network: April, 5 items, $4,276; May, 6 items, $4,473; June, 4 items, $1,305. Origin: all from outside Canada. The above figures include lengthy as well as brief items.

2. CBC's policy is to consider every freelance offer, and pieces are bought and used if they are (a) judged worthwhile from a program point of view, (b) of acceptable quality, and (c) obtainable at acceptable cost.

AIR SERVICE AT TROIS-RIVIÈRES AIRPORT

Question No. 3,495—**Mr. Fortin:**

1. Does Air Canada provide service to Trois-Rivières Airport and (a) if so, what is the cost per year (b) if not (i) for what reason (ii) on what date was the service discontinued?

2. How many passengers have been registered since the inception of the service?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1. No, (a) Not applicable. (b) (i) Lack of traffic. (ii) December 3, 1971

2. During the period when a scheduled service was operated between September 3, 1963, and December 31, 1971, a total of 7,496 passengers were boarded and 8,662 deplaned at Trois-Rivières.

Order Paper Questions

RECORDS FOR THE STUDY OF FRENCH AND ENGLISH

Question No. 3,501—**Mr. Fortin:**

1. Does the Queen's Printer or any other government agent intend to sell at low price records or other instruments for the study of French or English and, if not, for what reason?

2. Does the government have a policy to make culture accessible to low income people and, if so, what is it?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answers are as follows: 1. No records are available, but there is a complete course with text (publications), tapes, test sheets and matrix to verify answers. This course is prepared and supplied to Information Canada by the Public Service Commission. The selling price is $415, based on costs plus mark-up for our cost-recovery/revolving fund program.

2. No.

CONSTITUENCY OF LOTBINIÈRE—PUBLIC WORKS EXPENDITURES SINCE 1968

Question No. 3,506—**Mr. Fortin:**

Since 1968 (a) how much money was spent for public works in the Constituency of Lotbinière (b) what was, in each case, the (i) nature of the project (ii) amount involved?

Hon. C. M. Drury (Minister of Public Works): "General Records Disposal Schedules of Government of Canada"—Amendment No. 3 requires that records be kept for six complete years. Therefore, the information requested for 1968-69 is unavailable. (a) Expenditures in the constituency of Lotbinière for public works by year were as follows: 1969-70, $252,309; 1970-71, $453,145; 1971-72, $266,964; 1972-73, $547,840; 1973-74, $591,079; 1974-75, $164,981; 1975-76 to September 30, 1975, $45,068. (b) Departmental records are maintained on an individual basis only for projects costing in excess of $5,000. Details of these follow:

(i) Location	Description	Year Completed	(ii) Total Expenditure
Deschaillons	Construction of a Post Office	1969-70	$ 48,814
Deschaillons	Construction of a protection wall	1971-72	9,468
Deschaillons	Raising of a protection wall	1972-73	7,663
Lotbinière	Trans Canada Highway (through the constituency)	1970-71	516,817 (for 1969-70 and 1970-71)
Princeville	Additions and alterations to Post Office	1969-70	59,732
Princeville	Renovations to Post Office	1971-72	11,235
Rivière Bois-clair	Construction of a Post Office	1969-70	41,418
St. Antoine de Tilley	Construction of a Post Office	1975-76	5,952
Ste-Eulalie	Construction of a Post Office	1975-76	13,361
Victoriaville	Construction of a public building	1973-74	1,064,708
Victoriaville	Loading platform—public building	1975-76	9,132
Warwick	Air-conditioning—public building	1971-72	37,146
Warwick	Improvements to heating system—public building	1971-72	5,883

[Mr. Goodale.]

SHIPPING OF GRAIN BY SEA

Question No. 3,509—**Mr. Forrestall:**

Is the government aware of the cost in 1974 of shipping by sea Canadian grain to other countries, and (a) if so, what was it (b) if not, for what reason?

Hon. Otto E. Lang (Minister of Transport): In so far as the Canadian Wheat Board is concerned export sales of wheat, oats and barley are sold on either an instore terminal position or FOB basis at all Canadian seaboard positions. Ocean freight costs therefore are borne by the purchaser and the cost in 1974 of shipping such grain by sea to other countries is not known.

IMPORT QUOTAS ON CLOTHING FROM HONG KONG, TAIWAN AND UNITED STATES

Question No. 3,521—**Mr. Brisco:**

1. What import quotas in terms of volume of goods have been established on clothing from (a) Hong Kong (b) Taiwan (c) USA?

2. Is it to the advantage of Canadian importers to have clothing manufactured in Hong Kong or Taiwan imported directly into Canada and (a) if so, for what reason (b) if not, for what reason?

3. Is there a greater advantage to Canadian importers to have such goods imported into the USA and then into Canada and (a) if so, for what reason (b) if not, for what reason?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. A global import quota of 1,416,690 dozen men's and boys' shirts with tailored collars, priced under $30 per dozen for wovens and $33 per dozen for knitted, is in effect from November 30, 1974 to November 29, 1975. This quota is divided into 11 "country reserves" totalling 950,925 dozen shirts, utilizable only by the exporting countries holding these reserves, and an "open portion" of 465,765 dozen shirts, utilizable by any country, including those which hold "country reserves". (a) Hong Kong's reserve is 205,125 dozen shirts. (b) Taiwan's reserve is 137,188 dozen shirts. (c) USA has no reserve. As well, Hong Kong maintains an export authorization system limiting its exports to Canada of trousers, slacks and shorts, woven of cotton, polyester, and polyester/cotton to 404,815 dozen pairs from October 1, 1975 to September 30, 1976. Similarly, Taiwan has undertaken to restrain its exports to Canada of trousers, slacks and shorts of all genders, all fibres, woven or knitted, at 958,000 dozen pairs during calendar year 1975.

2. For customs purposes the country of origin is determined by the percentage of value added. An article of clothing, the major part of which has country X value added, will be treated as an export from that country regardless of the country from which it has finally been exported from. There are no significant advantages to shipping goods via a third country with the possible exception of savings on transportation.

3. Refer to answer to question number two.

CONFERENCE ON WORLD POPULATION (1974)

Question No. 3,523—**Mr. Munro (Esquimalt-Saanich):**

1. For how many days was the Conference on World Population held in Bucharest in September 1974?

2. What was the composition of the Canadian delegation?

3. Were all delegates in attendance throughout the Conference and, if not (a) what were the variations in attendance (b) what were the itineraries or activities of those not in full attendance?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The dates of the World Population Conference were August 19-30 inclusive.

2. The composition of the Canadian delegation was as follows: Chairman of the Delegation: The Hon. Jeanne Sauvé, Minister of the Environment. Representatives: The Hon. William J. Yurko, Minister of the Environment, Province of Alberta. The Hon. Stanley Haidasz, M.P. Vice-Chairman: Mr. J. E. G. Hardy, Director-General, Bureau of United Nations Affairs, Department of External Affairs. Alternate Representatives: Mr. Ranjit Azad, Associate Deputy Minister, Department of Labour, Province of British Columbia. Mr. Francis J. Bogdasavich, Deputy Minister, Department of Culture and Youth, Province of Saskatchewan. Mr. Bernard Bonin, Assistant Deputy Minister, Ministry of Immigration of Quebec, Province of Quebec. Mr. Earl Drake, Vice-President, Canadian International Development Agency. Mr. Alan Gordon, Assistant Deputy Minister, Ministry of Community and Social Services, Province of Ontario. Mrs. Martha Hynna, coordinator, Status of Women, Privy Council Office. Dr. David Munro, Director-General, Environment Canada. Mrs. Freda Paltiel, Special Adviser on the Welfare and Social Status of Women, Department of National Health and Welfare. Mr. T. B. Sheehan, Director-General, Home Service, Department of Manpower and Immigration. Mr. Andrew Welles, Principal Secretary to the Premier, Province of Prince Edward Island. Special Advisers: Ms. Wendy Dobson, Assistant to the Chairman, International Development Research Centre. Dr. H. Henripin, Demographer, University of Montreal. Dr. André Lux, Special Adviser to the President on Population, Canadian International Development Agency. Dr. Henry Regier, Chairman, Department of Zoology, University of Toronto. Advisers: Mr. Blake Housser, Special Assignments Officer, Department of Social Services, Province of Nova Scotia. Mr. Gerald W. Smith, Director of Administration, Department of Justice, Province of Newfoundland. Miss Bethany Armstrong, United Nations Economic and Social Affairs Division, Department of External Affairs. Mr. Glen Milne, Office of the Privy Council. Mr. Richard Burkart, United Nations Economic and Social Affairs Division, Department of External Affairs. Mr. Y. Jobin, Department of External Affairs. Ms. Lynn Douglas, Environment Canada. Mr. Ivan Timonin, Department of Manpower and Immigration. Mr. David Wright, Department of External Affairs. Mr. Ed Aiston, Health and Welfare Canada.

3. The Hon. Madame J. Sauvé attended the conference during the first week after which time she departed Bucharest. Mr. Earl Drake, Vice President of CIDA, arrived in Bucharest for the second week of the conference direct from a meeting in Rome.

Order Paper Questions

RATES CHARGED BY NORTHERN TRANSPORTATION COMPANY LIMITED

Question No. 3,551—**Mr. Andre (Calgary Centre):**

Is the Canadian Transport Commission responsible for establishing the rates charged by the Northern Transportation Company Limited and, if so, what procedures are used by CTC in order to establish such rates?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: We are not responsible for establishing rates charged by the Northern Transportation Company Limited. However, some categories of tariffs of tolls which are charged by a carrier are subject to approval by the Commission pursuant to Part III of the Transport Act.

SUBSIDIES TO FERRIES

Question No. 3,555—**Mr. MacLean:**

For the years 1974 and 1975, in the case of the Wood Islands-Caribou Ferry Service and the service operating between Souris, Prince Edward Island and the Magdalen Islands, what was the amount of subsidy in each case (a) requested by the operating companies (b) recommended by the Canadian Transport Commission (c) granted by Treasury Board?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: Wood Islands-Caribou Service: (a) 1974, $2,399,993; 1975, $3,457,465. (b) 1974, $2,400,000; 1975, $3,456,440. (c) 1974, $2,400,000; 1975, $2,600,000. Souris, P.E.I.—Magdalen Islands, Que. Service: (a) 1974, $704,548; 1975, $1,194,148; (b) 1974, $705,000; 1975, $1,141,396. (c) 1974, $705,000; 1975, $1,141,396.

CANADA WORLD YOUTH

Question No. 3,558—**Mr. Reynolds:**

1. How much money has been given to Canada World Youth by CIDA in the past two years?

2. How much money has been given to Canada World Youth by the Department of External Affairs and through what programmes during the past four years?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): In so far as the Canadian International Development Agency is concerned: 1. April 1, 1974—March 31, 1975, $2,800,000; April 1, 1975—to date, $2,500,000.

2. The Department of External Affairs has not given money to Canada World Youth during the past four years.

DEFENCE EXPORT SALES

Question No. 3,561—**Mr. Fairweather:**

1. What is the (a) per capita value (b) gross value of sale of arms and arms components by Canada?

2. Does Canada rank sixth in the world in value of arms sales?

3. Is the Canadian Commercial Corporation the government agency which negotiates the sale of arms?

4. Is consideration being given by the United Nations to an international agency for monitoring the sale of arms?

Order Paper Questions

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce, Supply and Services and External Affairs as follows: 1. (a) $12.25 (1974) (Canadian population taken as 22.9M). (b) Defence export sales by Canada in 1974 amounted to 280.5M. This figure was compiled on a contract basis (prime and sub-contracts) and includes applied research and development, pre-production, production, licence agreements and technical assistance, installation (other than construction) and repair, overhaul and modification. "Off-the-shelf" general procurement, construction, fuels and lubricants, basic raw materials, and services (such as rentals and transportation) have been excluded. Defence equipment sold by Canada has for the most part been items having a high technological content and includes such items as aircraft, aircraft engines and spares, airframe and engine components and spares, flight simulators, reconnaissance drones and spares, navigation and communication equipment and spares, avionics, marine valves, sonar equipment, ammunition and components, and vehicle parts and spares.

2. The precise ranking of the value of military equipment sales by any country varies depending on the source of statistics used to arrive at the ranking. There are considerable variations in statistics emanating from different sources depending on the definitions and methods of compilation used, and uniformity and reliability is difficult to assess. The ranking of countries also changes from year to year. The four acknowledged world leaders in defence export sales are US, USSR, France and Britain. Several orders of magnitude below these countries is a group of countries consisting of Canada, Sweden, Italy, Czechoslovakia and China (PRC) whose estimated annual defence export sales over the last 10 years would rank them somewhere in the range of fifth to ninth depending on the year concerned.

3. The Canadian Commercial Corporation has not been delegated responsibility by the Government to negotiate the sale of arms to overseas governments. However, from time to time, the Corporation does receive requests for such requirements from foreign governments and their agencies all of which are subject to the export control regulations of the Department of External Affairs and the Department of Industry, Trade and Commerce. It is to be noted that any such sales are strictly on a government-to-government basis and that the Corporation does not deal with any private firms or overseas commercial trading organizations.

4. At present, there is no resolution before the United Nations for an international agency to monitor the sale of arms. In 1965-66 Denmark, Iceland, Malta and Norway sponsored a draft resolution to ascertain the position of governments concerning a proposal to register trade in arms with the Secretary-General. Canada supported this resolution but it was defeated, primarily at the instigation of many developing countries. This proposal was revived by Denmark in 1968 but the opposition was such that it was withdrawn prior to a vote. In 1968, the Honourable Mitchell Sharp, in his statement to the Twenty-third U.N. General Assembly, drew attention to the suffering caused by traffic in conventional arms. In 1971, the Secretary-General of the U.N. commissioned a report on the "Economic and Social Consequences of the Arms Race and of Military Expenditures", which report was subsequently presented to the Twenty-sixth Session of the General Assembly as Document A/C.1/L.593. It was passed and was subsequently incorporated in Resolution 2831 (XXVI) which in summary was a resolution to keep a watching brief on specified consequences of the arms race. To date, unfortunately, all efforts to give substantive monitoring support to this resolution, through an arms register under U.N. auspices, have been opposed by a majority of member states.

[Mr. Fairweather.]

NFB FILM PRODUCTION

Question No. 3,570—**Mr. Friesen:**

1. For 1974, what was the average length of a sponsored film for a department and what was the average cost of such productions?

2. For 1974, what was the average length of films produced by the private sector for departments and what was the cost of such productions?

3. How many of the films produced by the National Film Board in 1973 and 1974 had production costs in the range of (a) $1,000 to $5,000 (b) $5,000 to $12,000 (c) $12,000 to $20,000 (d) $20,000 to $50,000 (e) $50,000 to $100,000 (f) $100,000 to $250,000 (g) $250,000 to $500,000 (h) over $500,000 and, in each case, how many were government sponsored?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the National Film Board as follows: 1. For 1974 average length of a sponsored film was 24 minutes and average cost was $53,025.

2. For 1974 the average length of film produced by the private sector for departments was 17 minutes and the average cost per film was $13,065.

3. Number of films produced by the National Film Board in 1973-74 and 1974-75 in each of the following cost ranges and number government sponsored:

	Total	Government Sponsored
$ 1,000 to 5,000	8	3
5,000 to 12,000	11	4
12,000 to 20,000	8	2
20,000 to 50,000	72	14
50,000 to 100,000	77	14
100,000 to 250,000	31	7
250,000 to 500,000	6	—
500,000 and over	1	—

HABITAT CONFERENCE COSTS

Question No. 3,574—**Mr. Beatty:**

1. What are the projected direct costs to the (a) taxpayer of Canada for the federal contribution (b) taxpayer of British Columbia for the provincial contribution (c) ratepayer of Vancouver for the municipal contribution to the Habitat conference and, in each case, what are the component parts of the total costs?

2. What will be the total contribution by the taxpayer to be paid through the United Nations and its agencies for the Habitat conference and what are the component parts of such contribution?

Hon. Barney Danson (Minister of State for Urban Affairs): 1. (a) The estimated direct cost of the Habitat Conference to the federal government is $14 million of

which $9.2 million are required to meet host nation commitments and $4.8 million to prepare for Canada's participation in the Conference. Expenditures on the Conference have been incurred since fiscal year 1972-73 and will be completed in fiscal year 1976-77. (b) and (c) The estimated direct cost of the Conference to the Province of British Columbia and the City of Vancouver are not known and are not within the federal jurisdiction since, at this point in time, there are no formal cost-sharing arrangements.

2. Appropriations for Habitat in the Regular Budget of the United Nations total U.S. $2.77 million. Since Canada is assessed 3.18 per cent of this regular budget, the indirect cost to Canada will be U.S. $88,086. In addition to the allocation from the U.N. Regular Budget, Habitat is receiving grants from the United Nations Fund for the Environment, totalling U.S. $3 million, to support the full participation of developing countries in the Conference. Because the Fund for the Environment is a voluntary fund, it is not possible to identify a proportion of this payment which might be called Canadian. Some notion, however, might be gained from the facts that the current target for the Fund is $110 million, of which about $45 million has been already received, including $1 million from Canada.

"HERCULES" CRANE

Question No. 3,587—**Mr. Forrestall:**

1. What has been the total expenditure to date on the St. Lawrence Seaway Authority *Hercules* crane at the Port of Montreal?

2. What is the Department of Transport's best estimate of the percentage of time in the past 24 months that this specialty crane was employed on giving assistance to the operations of the (a) Port of Montreal (b) Seaway Authority?

3. Is there any arrangement by which recompense is made for the use on other than Seaway Authority business of this crane and, if so (a) what is the arrangement (b) with whom was it made?

4. What is the likelihood of the government locating, in the near future, such a facility in the Port of Halifax-Dartmouth?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): The St. Lawrence Seaway advises as follows: 1. $3,387,314.00. In 1959, it was deemed essential that the St. Lawrence Seaway Authority acquire some form of floating equipment to lift the heavy lock gates for their maintenance and repair. The *Hercules* was designed and built for the authority, primarily as a gate lifter, in order to ensure minimum delays in case of breakdown. Through arrangements with the National Harbours Board, it was agreed that the crane would be available to the Port of Montreal for the loading and unloading of extra-heavy material.

2. The records of The St. Lawrence Seaway Authority indicate that the crane was used for 1578 hours during the past 24 months, divided as follows: (a) 37 per cent. (b) 37 per cent.

3. Users pay charges for services performed by the crane in accordance with the schedule of charges in St. Lawrence Seaway Authority by-law No. 4.

The National Harbours Board advises as follows:

4. The National Harbours Board has no plans to procure or build a floating crane at the Port of Halifax-Darmouth. Similar satisfactory service has been provided in the past by the private sector.

Order Paper Questions

BUDGETARY REDUCTIONS IN SALMON PROGRAMME

Question No. 3,589—**Mr. Reynolds:**

With reference to the answer to Question No. 3,170, will the Minister of the Environment explain (a) where the $4 million in cuts in the salmon enhancement programme will take place and what effect this will have on the overall programme (b) what additional resources are being eliminated from the fleet operations that add up to $3.4 million (c) what areas will not get flood mapping done in the amount of $1 million?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): With reference to the answer given to Question No. 3,170: (a) Cuts were made to British Columbia salmon enhancement program with the result that some site feasibility studies and the development of some operational plans will be delayed. (b) The $3.4 million represents additional resources which were being requested for 1975-76 and subsequent years to provide for increased levels of utilization of Fisheries and Marine vessels engaged in fisheries management and research activities, and oceanographic and hydrographic surveys. (c) Flood mapping is a shared-cost, federal-provincial $20 million program over a 4-5 year period. The budgetary reduction of $1 million has resulted in a slower start of the program for fiscal year 1975-76. This slower start should not result in a less comprehensive program.

CMHC—GRANVILLE ISLAND PROJECT

Question No. 3,591—**Mr. Reynolds:**

With reference to the answer to Question No. 3,170, could the Minister responsible for Central Mortgage and Housing Corporation advise what effect the $2 million cutback will have on the Granville Island project and if this money will be made up out of the Habitat budget?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation: It is expected that the $2 million cutback for the Granville Island project will not have a major effect apart from a possible minor delay in its ultimate completion date. Funds for this project are separate from those for Habitat '76.

CUTBACK OF $4 MILLION FOR STAFFING OF TWO MEDIUM SECURITY INSTITUTIONS

Question No. 3,595—**Mr. Reynolds:**

With reference to the answer to Question No. 3,170, can the Solicitor General advise (a) what effect the cutback in $4 million for staffing of two medium security institutions will have on the institutions (b) are these institutions presently opened or, if they are planned to be opened, will the cutback in staff have any effect on their construction?

Hon. Warren Allmand (Solicitor General): (a) None because construction has been deferred to a later date. (b) When construction of these two institutions is undertaken, funds required for staffing will be requested from Parliament.

NOTE: For the purposes of this Question, the two institutions referred to are: Medium Security Institution—Edmonton, Alberta; Medium Security Institution—Winnipeg, Manitoba.

Order Paper Questions

POST OFFICE DEPARTMENT—BELLECHASSE CONSTITUENCY

Question No. 3,598—**Mr. Lambert (Bellechasse):**

What is the classification for the post offices of each municipality in the Constituency of Bellechasse?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General):

Post Office Name	Classification	Group or Grade
Standon	Semi-staff	2
St Neree	Revenue	6
St Nazaire de Buckland	Revenue	3
Ste Claire	Semi-Staff	5
Ste Sabine de Bellechasse	Revenue	4
Ravignan	Revenue	5
Morigeau	Revenue	4
Notre Dame du Rosaire	Revenue	4
Sanatorium Begin	Sub	—
St Just de Bretenieres	Revenue	6
Panet	Semi-staff	1
Ste Rose de Watford	Revenue	6
St Damien de Buckland	Semi-staff	5
St Gervais	Semi-staff	4
Ste Germaine Station	Semi-staff	1
St Philemon	Semi-staff	2
St Anselme	Semi-staff	5
St Paul de Montminy	Semi-staff	2
St Raphael de Bellechasse	Semi-staff	4
St Magloire	Revenue	6
St Malachie	Semi-Staff	1
St François Montmagny	Semi-staff	3
Ste Euphemie	Revenue	4
St Charles de Bellechasse	Semi-staff	4
Montmagny Sub 1	Sub	—
St Pierre Montmagny	Revenue	5
St Michel de Bellechasse	Semi-staff	2
St Malachie Station	Revenue	3
Ste Lucie de Beauregard	Revenue	4
Ste Apolline de Patton	Revenue	4
St Camille de Bellechasse	Semi-staff	3
St Vallier	Revenue	6
St Lazare Village	Revenue	4
Beaumont	Revenue	5
Barre	Revenue	4
Isle aux Grues	Revenue	3
Lac Etchemin	Semi-staff	5
Dijon	Revenue	4
Lac Frontière	Revenue	3
Berthier sur mer	Revenue	6
La Durantaye	Revenue	4
Honfleur	Revenue	4
Montmagny	Staff	7
Buckland	Revenue	4
Kirouac	Revenue	2
Armagh	Semi-staff	3
Daaquam	Revenue	2
Langevin	Semi-staff	4
Montmagny Sub 2	Sub	—
Maison St Bernard	Revenue	1

(a)

Cercle de l'Âge d'Or de la Tuque
Les Pensionnaires du Foyer de Ste-Thècle Inc.
Club "La Gaieté" de l'Âge d'Or
Cercle de l'Âge d'Or
Membres de l'Âge d'Or
Le 3e Âge, Le Cercle d'Âge d'Or
Personnes Âgées Retraitées (Comité au sein du Cercle de l'Âge d'Or)
Les Amis de l'Histoire de la Pérade

[Mr. Allmand.]

POST OFFICE—KLEINBURG, ONTARIO

Question No. 3,600—**Mr. Stevens:**

1. Has the government any immediate plans to (a) build (b) rent a post office facility in Kleinburg, Ontario and, if so, on what date will tenders be called?

2. Has the government a site in mind for the new postal facility and, if so, in what location?

Hon. C. M. Drury (Minister of Public Works): 1. The Department of Public Works, on behalf of Canada Post Office, leases 802 rentable square feet on Islington Avenue in Kleinburg, Ontario. The lease entered into, effective April 1, 1974 expires on March 31, 1976 and contains an option to renew on the same terms and conditions until March 31, 1977. The Department of Public Works has been requested by Post Office officials to tentatively schedule expanded postal accommodation in Kleinburg, Ontario during the 1977/78 fiscal year. Major considerations in providing this accommodation in that fiscal year will be the priority allocation within the Post Office National Facilities Plan and the availability of funds. Planning for the expanded accommodation is in the very early stages of development. Various alternatives will be studied to determine how the space will be provided and we are not in a position to establish a definite tender call date for either Crown construct or rental proposals at such an early stage of project development.

2. The need for a site or its location have not been determined as the solution to the provision of the expanded accommodation has yet to be identified.

NEW HORIZON PROGRAMME—ALLOCATION OF FUNDS TO CHAMPLAIN CONSTITUENCY

Question No. 3,607—**Mr. Matte:**

1. Since inception of the New Horizons Programme, has money been allocated to the Constituency of Champlain and, if so, in what amount?

2. For each project in the Constituency, what is the (a) title (b) allocated sum (c) year of acceptance (d) name of the municipality concerned (e) number of jobs which have been created?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Yes—$179,215.

(b)	(c)	(d)
$28,240	1972-73	La Tuque
1,000	1972-73	Ste-Thècle
6,394	1972-73	St-Alban
6,350	1972-73	St-Adelphe
1,444	1973-74	St-Prosper de Champlain
3,830	1973-74	Hérouxville
9,700	1973-74	St-Joseph de Mékinac
19,035	1973-74	Ste-Anne de la Pérade

Order Paper Questions

(a)	(b)	(c)	(d)
Le groupe de nos(10) administrateurs	10,889	1973-74	Parent
Cercle de l'Âge d'Or	3,850	1974-75	Ste-Thècle
Cercle de l'Âge d'Or	2,020	1974-75	Hervey Jonction
Cercle de l'Âge d'Or	4,320	1974-75	Batiscan
Les Retraités à l'Action	9,630	1974-75	St-Tite
L'Âge d'Or de St-Roch-de Mékinac	5,385	1974-75	St-Roch-de-Mékinac
Cercle de l'Âge d'Or de Champlain	4,050	1974-75	Champlain
Cercle de l'Âge d'Or de Grandes-Piles	3,127	1974-75	Grandes-Piles
Club de l'Âge d'Or de St-Marc	1,600	1974-75	St-Marc des Carrières
L'Âge d'Or de St-Séverin	3,003	1974-75	Proulxville
Groupe des Retraités de St-Maurice	6,400	1974-75	St-Maurice
Club de l'Âge d'Or	3,625	1974-75	St-Prosper
Club de l'Âge d'Or Ste-Geneviève de Batiscan	4,590	1974-75	Ste-Geneviève de Batiscan
Pensionnaires du Foyer de Ste-Thècle Inc.	570	1974-75	Ste-Thècle
Club de l'Âge d'Or	4,580	1974-75	St-Stanislas-de-Champlain
Club de l'Âge d'Or de St-Narcisse	7,692	1974-75	St-Narcisse
Club de l'Âge d'Or	4,205	1975-76	Lac-aux-Sables
Cercle de l'Âge d'Or	4,125	1975-76	St-Joseph de Mékinac
Le Club de l'Âge d'Or de Ste-Anne de la Pérade	5,660	1975-76	Ste-Anne de la Pérade
Groupe de Retraités de Parent	4,985	1975-76	Parent
Club de l'Âge d'Or de Deschambault	5,931	1975-76	Deschambault
Club de l'Âge d'Or de St-Gilbert	2,985	1975-76	St-Gilbert

(e) New Horizons is an activity oriented programme, not a job-creating one. It was established to enable retired Canadians to participate in activites beneficial to themselves and the community and all participants are volunteers.

MANPOWER COUNSELLORS—COMPETITION No. 75-M & I-0-PM-202 (TO)

Question No. 3,609—**Mr. Cossitt:**

With reference to competition number 75-M & I-O-PM-202-(TO) for the position of Manpower Counsellors (a) what was the closing date (b) how many applications were received (c) were all applications acknowledged and (i) if so, on what date (ii) if not, for what reason (d) were interviews, examinations, etc. held and (i) if so, on what dates (ii) if not, on what dates will they be held (e) what are the names of all (i) applicants selected for interviews and examinations (ii) successful applicants and the average salary involved (f) how many of the successful candidates hold university degrees in the social sciences?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (a) September 12, 1975. (b) Number of applications received by the PSC, 1,106. (c) Yes; (i) September 10 to October 2 inclusive and, October 22 and 23, 1975; (ii) Not applicable (d) Yes; (i) October 27 to November 21, 1975 inclusive; (ii) Not applicable (e) (i) Government regulations prohibit revealing the names of applicants in a competitive process before the publication of an eligible list; (ii) Successful candidates not yet selected. (f) Not applicable.

CANADIAN RADIO-TELEVISION COMMISSION—RETENTION OF LAWYERS IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,614—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Canadian Radio Television Commission during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): In so far as the Canadian Radio-Television Commission is concerned: 1. Nil.

2. Nil.

RETENTION OF LAWYERS BY DEPARTMENT OF LABOUR IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,618—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Labour during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. John C. Munro (Minister of Labour): 1 and 2. Nil.

RETENTION OF LAWYERS BY MINISTRY OF STATE FOR URBAN AFFAIRS IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,620—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Ministry of State for Urban Affairs during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Barney Danson (Minister of State for Urban Affairs) for the Ministry of State for Urban Affairs: 1. None.

2. Not applicable.

RETENTION OF LAWYERS BY DEPARTMENT OF NATIONAL HEALTH AND WELFARE IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,622—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of National Health and Welfare during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Marc Lalonde (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: 1. The names of lawyers hired as

legal agents by the Department of Justice to do work for the Department of National Health and Welfare will be supplied by the Department of Justice. No lawyers or law firms performed other than legal services for this department.

2. See above.

RETENTION OF LAWYERS BY DEPARTMENT OF ENVIRONMENT IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,623—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of the Environment during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): All lawyers who performed services for the Department of the Environment in 1973 and 1974 were hired through the Department of Justice.

RETENTION OF LAWYERS BY DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,625—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Consumer and Corporate Affairs during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Records are not kept by constituency. However, for the City of Victoria, the answer is as follows: 1. Kenneth B. Cox, Owen-Flood, Cox & Turnham, 777 Broughton Street, Victoria, B.C., V8W 1E3.

2. 1973, $2,213.82; 1974, Nil.

RETENTION OF LAWYERS BY DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT IN VICTORIA, B.C.

Question No. 3,633—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Indian Affairs and Northern Development during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Mr. R. B. Hutchison, Crease and Co., 8th Floor, Bentall Building, 1070 Douglas St., Victoria, B.C.

[Mr. Lalonde.]

2. 1973-74, $10,305.75; 1974-75, $14,344.97.

DEPARTMENT OF PUBLIC WORKS—LEGAL SERVICES IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,638—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Public Works during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. C. M. Drury (Minister of Public Works): In so far as the Department of Public Works is concerned: 1. Nil.

2. Not applicable.

RETENTION OF LAWYERS BY CMHC IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,639—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for Central Mortgage and Housing Corporation during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation that their records indicate the following: 1 and 2. For loans approved in Metropolitan Victoria in the years 1973 and 1974, the following lawyers were retained by CMHC, to process the mortgage documentation arising from CMHC direct lending: 1973: Allan L. Cox, R. H. G. Harman, R. B. Hutchison, Louis F. Lindholm, I. H. Stewart. 1974: R. T. Bryant, Allan L. Cox, R. H. G. Harman, R. B. Hutchison, Louis Lindholm, I. H. Stewart, Davis R. Wilson. Legal fees in connection with CMHC direct loans are paid by the borrower, and CMHC therefore, has no record of the amounts paid to these lawyers. The following lawyers were retained in 1973 and 1974 to handle action where arrears on loans approved in Metropolitan Victoria required legal action: 1973: Cox, Taylor and Company, Crease and Company, R. B. Hutchison. 1974: Cox, Taylor and Company. Where actions are settled prior to trial, the costs are paid by the borrower, and are therefore, not known to CMHC.

CMHC—LOANS FOR HOUSING, LAC-ETCHEMIN, QUEBEC

Question No. 3,656—**Mr. Lambert (Bellechasse):**

Since 1973, has Central Mortgage and Housing Corporation granted a loan to the Quebec Housing Corporation for the Municipality of Lac-Etchemin or for the municipality's housing corporation and, if so (a) what was the amount involved (b) at what rate of interest (c) for how long (d) under what terms of reimbursement?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: See the answer to Question 3,251 (Hansard December 9, 1975, Page 9846). This loan was approved in December, 1973, subject to submission of complete plans and specifications, with confirmation of the approval being issued in September, 1974.

INFLATABLE CONSTRUCTION STRUCTURES

Question No. 3,659—**Mr. Hnatyshyn:**

Has the government a programme of assistance through grants or otherwise for the construction or purchase of inflatable structures or other aids to facilitate construction work during the winter months?

Hon. C. M. Drury (Minister of Public Works): The Department of Public Works makes no grants for the construction or purchase of inflatable structures or other aids to facilitate construction work during the winter months, nor are funds appropriated specifically for this purpose.

CORRECTIONAL OFFICERS

Question No. 3,660—**Mr. Bawden:**

1. How many correctional officers were employed by the Canadian Penitentiary Service during each of the past five fiscal years, including the current fiscal year?

2. For the same period, how many (a) were hired (b) resigned (c) retired (d) were dismissed?

Hon. Warren Allmand (Solicitor General): 1. 1971-72, 2131; 1972-73, 2246; 1973-74, 2711; 1974-75, 3063; 1975 (to Dec. 8, 1975), 3316.

2. Period	1971-72	1972-73	1973-74	1974-75	1975 (to December 8, 1975)
(a) Hired	161	348	935	771	679
(b) Resigned	112	75	262	349	199
(c) Retired	9	10	16	21	9
(d) Dismissed	5	12	24	21	21

NOTE: The following number of officers separated from the Canadian Penitentiary Service fo reasons other than listed above:

Period	1971-72	1972-73	1973-74	1974-75	1975 (to December 8, 1975)
Died	2	1	4	1	3
Released on probation	9	27	28	32	15

RESEARCH ON USE OF LASH VESSELS AT PORT OF QUEBEC

Question No. 3,662—**Mr. Forrestall:**

Has any department undertaken, sponsored or partially sponsored research pertaining to the use of LASH vessels at the Port of Quebec and, if so (a) which department (b) what is the name of the study (c) at what date was it undertaken (d) is the material available to the public?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: Yes. (a) The Department of Regional Economic Expansion. (b) Study of the Port of Quebec. (c) January 24, 1972. (d) Yes.

Order Paper Questions

MARKETING ASSISTANCE AGREEMENT BETWEEN DE HAVILLAND AND BOEING

Question No. 3,663—**Mr. Broadbent:**

1. What were the terms of the 1971 marketing assistance agreement between de Havilland Aircraft of Canada Limited and the Boeing Company?

2. (a) What was the total amount of payments made to Boeing under the agreement (b) on what dates were such payments made and, in each case, for what reason?

3. What is the anticipated total amount of payments which will be made to Boeing in the future under the agreement?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Industry, Trade and Commerce is concerned: Background: The information being requested is "Commercial Confidential" and pertains to an existing agreement between the two companies, de Havilland and Boeing. Accordingly the questions will be answered in a manner intended not to prejudice the commercial position of either of the companies involved. 1. The terms of the agreement are very extensive and relate mostly to marketing wherein Boeing provides extensive support to the de Havilland effort. The terms cover the obligations of each company during each of the four phases of the DHC-7 program's evolution namely: project definition; flight development; initial production; and full production.

2. The department has been advised by the de Havilland Company that there were no payments due or made to Boeing under the agreement as of this date.

3. The total amount of payments which will be made to Boeing will depend on the future actions of each company, on the length of time that the agreement is in force, and on the total number of DHC-7 aircraft sold.

SMALL BUSINESSES LOANS ACT—LOANS TO CONSTITUENCY OF CHAMPLAIN

Question No. 3,664—**Mr. Matte:**

1. Since the inception of the Small Businesses Loans Act, has money been allocated to the Constituency of Champlain and, if so, in what amount?

2. How many persons have been eligible for such loans?

3. What is the current rate of interest for such loans?

Hon. Donald S. Macdonald (Minister of Finance): 1. Data respecting this program is not maintained on a constituency basis.

2. It is not known how many persons have been eligible for these loans, but 36,264 people have been advanced loans under the plan since its inception in 1961 to September 30, 1975.

3. 8¾ per cent.

CMHC—HOUSING LOANS TO MUNICIPALITY OF MONTMAGNY, QUEBEC

Question No. 3,668—**Mr. Lambert (Bellechasse):**

Has the Central Mortgage and Housing Corporation granted a $1,665,667 loan for a period of thirty years to the Municipality of Montmagny (Quebec) and, if so (a) what is the interest rate (b) what are the

reimbursement conditions (c) for what amount will the Corporation waive the reimbursement of a quarter of the amount (d) what is the global amount the Municipality will have to pay in capital and interest during the thirty years, with the exception of the non-refundable percent?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: On October 31, 1975, CMHC approved a loan in an estimated amount of $1,165,667 under Part VIII of the National Housing Act, to the City of Montmagny. (a) The interest rate is 10¾ per cent. (b) The loan will be repayed in annual instalments of principal and interest over a term of thirty years. (c) The amount of the loan which will be forgiven by CMHC is estimated to be $291,416.75. (d) The City of Montmagny, over the thirty year term of the loan, will repay a total of $3,026,033,10, of which the principal amount is $874,250.25 and the interest $2,151,782,85.

COMPETITION NUMBER 75-INC-CCIC-1036-10

Question No. 3,671—**Mr. Cossitt:**

What was the purpose of competition number 75-INC-CCIC-1036-10 held by Information Canada (a) how many persons applied (b) was one of the requirements that applicants be bilingual (c) what are the names of all persons on the eligible list established as a result of the competition and did all such persons have as a mother tongue the French language (d) what did Maurice Fournier have to do with the competition and what are all his duties with Information Canada (e) was the competition and/or the eligible list subsequently cancelled and, if so (i) for what reason (ii) on what date (iii) who specifically gave such an order?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answers are as follows: The purpose of the competition was to fill a vacancy for a position titled pay clerk in the clerical group, level 4, pay and benefits division, personnel directorate of Information Canada. (a) 65. (b) The language requirement of the position is not bilingual, it requires a knowledge of the Frendh only. (c) The names of four people appear on the eligible list in the following order: 1. Line Proulx, 2. Louise Simon, 3. Madeleine Duguay, 4. Micheline Blais. The application form which is used in the Public Service does not request that candidates indicate their mother tongue. It does, however, ask the question: "Of the two official languages which one do you use better". Two of the people on the eligible list indicated that they use both languages equally and two indicated French. (d) Maurice Fournier is a personnel administrator employed as one of the department's staffing officers. His role in this competition was that of responsible staffing officer. His duties are recruitment, selection and hiring, in conjunction with various line managers, of appropriate staff to fill vacancies within Information Canada under the authority of the Public Service Employment Act. (e) Neither the competition nor the eligible list has been cancelled.

DUTY FREE FRANCHISE AT MIRABEL

Question No. 3,672—**Mr. MacKay:**

1. Was the Minister of Transport's willingness to grant a duty-free franchise at Mirabel communicated to the general public and was his willingness to entertain bids made public, and (a) if so (i) on what dates were such bids requested (ii) who answered the request (b) if not, for what reason?

2. (a) How many companies submitted actual bids for the franchise (b) what are the names and addresses of each such company?

3. On what basis was the list of the interested companies reduced to the few companies to receive final consideration by the inter-departmental committee?

[Mr. Lambert (Bellechasse).]

Hon. Otto E. Lang (Minister of Transport): 1. (a) Yes. As is standard practice, notice to tender for the duty free shop at Mirabel was advertised in both official languages in 30 major daily newspapers across Canada, on October 22 and 23 of 1973. In addition, a letter was sent to all parties who had previously expressed an interest in such an operation. A tender briefing was held on November 13, 1973, and was attended by representatives from 21 interested parties. The tender closed on January 9, 1974.

2. (a) Nine. (b) Host International (Canada) Limited, Dorchester Boulevard, Montreal, P.Q. La Belle Créole (Canada) Limitée, P.O. Box 64, Toronto A.M.F., L5P 1A2. Les Entreprises Cara (Quebec) Limitée, 55 York Street, Toronto, Ontario. Commercial Caterers Limited, 1376 Bayview Avenue, Toronto, Ontario. C.P. Hotels Limited, 100 Front Street, Toronto, Ontario. M5J 1E3. Thomcor Holdings Limited, 1 Place Ville Marie, Suite 1536, Montreal 113, P.Q. Mira Inc., St. Bernard de Lacolle, Quebec. Border Commissaries Limited, Kemptville, Ontario. Peter Khana and K.S. Kholi, Drummond Street, Montreal.

3. All nine tenders received were given due consideration by the evaluation committee taking into account such factors as compliance with tender specifications; the financial, operational, physical, and marketing proposals; and the requirements of inspection services and the Société des Alcools du Québec. After the initial consideration on the above mentioned points, the number of contenders was reduced to three companies on the basis of non-compliance with tender specifications and inferior financial proposals.

TRANSPORT—INTERDEPARTMENTAL COMMITTEE ON BIDS

Question No. 3,673—**Mr. MacKay:**

1. In regard to the statement in the House, by the Minister of Transport, on November 5, 1975 at page 8875 of Hansard, what are the terms of reference of the inter-departmental committee referred to by the Minister and who are its members?

2. Does the committee make decisions on all bids for franchises and/or leases at Department of Transport facilities and are there written guidelines or criteria for the committee in making its decisions and, if so what are they?

3. In the case of the lease between Sky Shops and DOT at Mirabel, what was the weighting given by the committee to the "gross amount" and the "percentage off" aspects of the bid, and what was the basis for the weighting?

4. What were the estimates of gross revenue used by the committee for the period 1975 to 1980, in order to judge the weight to be given to the "percentage off" aspects of each bid?

Hon. Otto E. Lang (Minister of Transport): 1. (a) The terms of reference of the interdepartmental committee were to (i) perform an evaluation of the physical, operational and financial aspects of the tenders submitted; (ii) make final recommendations to the Quebec Regional Administrator regarding the acceptance of the tender which combines most advantages for Transport Canada while taking into primary consideration the requirements of the travelling public. (b) The members of this particular

committee consisted of persons from the Mirabel project office, Transport Canada headquarters, Customs and Excise, Société des Alcools du Quebec and Montreal International Airport—Mirabel.

2. The evaluation committee as mentioned above was formed for the sole purpose of making a recommendation pertaining to the duty free shop concession at Mirabel. This committee does not make decisions on all bids for leases at Transport Canada facilities.

3. In the evaluation of the financial aspect of submissions there was no specific quantitative allocation of weighting factors given to either "gross amount" or the "percentage off" aspects of the bid.

4. As indicated in our response to question 3, weighting factors were not assigned.

CANADIAN OLYMPIC COINS—PAYROLL DEDUCTION

Question No. 3,675—**Mr. Cossitt:**

1. (a) How many copies of a form entitled: "Canadian Olympic Coins—Payroll Deduction" along with a six page message signed by the President of the Treasury Board were distributed to government employees or any persons connected with the government (b) what was the exact cost of distributing all such forms?

2. Were the forms distributed to all members of the Canadian Forces and, if so, what was the total number and cost involved?

3. Of all those receiving such an offer, what is the total number of those who elected to purchase the coins by payroll deduction?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. (a) 410,000 forms distributed; (b) $25,000.

2. Yes, 10,000 forms—Cost is included in the $25,000.

3. As of December 9 an estimate of 4,000 forms had been received to purchase coins.

ANTI-INFLATION BOARD

Question No. 3,680—**Mr. Orlikow:**

1. What is the total number of complaints and enquiries (a) received to date by the Anti-Inflation Board concerning alleged or possible breaches of the anti-inflation guidelines (b) referred to provincial agencies for investigation or action (c) disposed of immediately by verbal or written reply (d) that have resulted in investigation or further action by the Board?

2. What is the total number of breaches of the guidelines which have been discovered as a result of these complaints or enquiries and into what category does each of these breaches fall (i) price guidelines (ii) profit guidelines (iii) wage and salary guidelines (iv) dividends and other forms of income guidelines (v) other guidelines?

3. What is the total number of applications by trade unions and by employers to the Anti-Inflation Board for clarification of the guidelines as they affect negotiations in progress and of these, how many agreements were subsequently reached within one week of the clarification being received by both parties?

4. What is the total number of negotiated agreements between employers and employees submitted to the Board for approval and how many of these have been (a) approved (b) rejected (c) amended?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I am advised by the Anti-Inflation Board as follows: 1. The total number of communications received concerning the Anti-Inflation guidelines as of December 8, 1975: (a) 13,569 The district taxation offices of the Department of National Revenue received 13,215 and the Anti-Inflation Commission received 354 inquiries. The majority of these were dealt with almost immediately and the specific subject matters were not recorded. (b) 260. (c) see (a). (d) 94.

2. The number of communications which required further study was 94. (i) 11. (ii) 9. (iii) 70. (iv) 4. (v) 0.

3. Requests for clarification—31. Five agreements were subsequently reached within one week.

4. The total number submitted is 86. (a) 14. (b) 13. (c) 2. Additional information has been requested for the remaining 57 submissions.

JAMES BAY PROJECT

Question No. 3,686—**Mr. Symes:**

1. What is the latest estimate of the total cost of the James Bay Project?

2. What is the total cost of direct and indirect federal assistance to the James Bay Project?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): 1. This question does not relate to matters officially connected with either the federal government or parliament (See Beauchesne's Parliamentary Rules and Forms, citation 171 (y).

2. Direct: $1.47 million federal costs of mutual studies by federal-provincial agreement. Indirect: $4.5 million for federal studies of oceanography, anadromous fish, and migratory birds.

MEACH VALLEY CREEK ZOO

Question No. 3,687—**Mr. Brewin:**

1. Has the Treasury Board approved the allocation of funds for the construction and operation of a zoo in the Meach Creek Valley area in conjunction with the Quebec government (Société d'aménagement de l'Outaouais) as proposed by a tentative agreement between the National Capital Commission and the Société and, if so, what steps, if any, have been taken to proceed with the construction or operation of the zoo apart from the expropriation by the Quebec authorities of 47 properties in the area?

2. What is the original estimated total cost of the construction of the zoo?

3. Have proposed costs been reviewed in the light of inflationary costs of construction and, if so, what is the anticipated total cost?

4. What agreement has been made for sharing of the capital costs of construction and the operating costs of the zoo between the government and the National Capital Commission and the Quebec government and/or the Société d'aménagement de l'Outaouais?

5. What share of the capital costs of construction and operating expenses of the zoo is to be born by the government or anyone on its behalf?

6. Have feasibility studies been prepared in respect to the operation of the zoo and, if so (a) by whom (b) are they available to the public or to the owners of the expropriated properties?

7. In the light of frequent undertakings by the government to reduce its expenditures and to observe restraint in government spending, has the Meach Valley Creek Zoo project been reviewed or is it proposed to review the project in the light of the present inflationary crises?

8. Is it proposed, in the light of Part 7, to review the project with a view to cancellation and the restoring of the expropriated land to the owners?

Order Paper Questions

9. What is the reason for delay in making offers to the owners whose properties were expropriated in April, 1975 with a view to the settlement to claims for compensation?

10. Will the government review together with the National Capital Commission and the Government of Quebec, the advisability and financial soundness of the whole project having in mind experience in respect to the new zoo in the Toronto area where there was a gross over-estimate of attendance and consequently in operating revenues from the zoo leading to the assumption by the Metro Corporation of Toronto of a $7.5 million deficit through the loss in operating the zoo and paying for its debts?

11. How many acres of farm land suitable for agriculture have been expropriated for the purpose of the construction of the zoo?

12. Have offers recently been made for the renting back to the original owners of their properties at rentals approximately twice as large as the carrying charges for properties that were expropriated and, if so, on what basis?

Hon. Barney Danson (Minister of State for Urban Affairs): In so far as the National Capital Commission is concerned: 1. No. However, subject to the availability of funds from approved budgets, the Cabinet has approved participation to the extent of half of the estimated $7.5 million involved in the first phase of zoo development.

2. $8,218,000, as estimated in 1971 by an Outaouais Development Corporation study.

3. No. An N.C.C. study in 1973 proposed a less elaborate initial phase to cost $7.5 million, including land acquisition. N.C.C. has not reviewed construction costs since 1973.

4 and 5. No formal agreement has been made. The government of Quebec and the federal government have reached agreement in principle to share equally the cost of developing and managing the first phase of a wildlife park for Canadian animal species.

6. Yes. (a) Outaouais Development Corporation and N.C.C. (b) The Somer Report prepared by the Outaouais Development Corporation may be consulted at their offices. The N.C.C. report is an internal working paper but may be viewed at the Commission's library.

7. The project has been reviewed and any projected expenditure has been postponed for at least one year.

8. No.

9. This expropriation falls within the jurisdiction of the Quebec government acting through the Outaouais Development Corporation.

10. The government and the N.C.C. does not anticipate such a review as the projects are in no way similar in concept, size, capital expenditures or operating costs.

11. Approximately 900 acres.

12. Detailed expropriation arrangements fall within the competence of the Outaouais Development Corporation.

LIP FUNDING TO MUNICIPALITY OF ST. GEORGES EAST

Question No. 3,689—**Mr. Lambert (Bellechasse):**

Did the Municipality of St. Georges East, Quebec, receive a grant under the Local Initiatives Programme for the construction of a reservoir and a filtering plant in 1973-74 and 1974-75?

Hon. Robert K. Andras (Minister of Manpower and Immigration): No.

[Mr. Brewin.]

SUBSIDIES—FLUID MILK AND POWDERED MILK

Question No. 3,690—**Mr. Lambert (Bellechasse):**

1. During the 1974-75 fiscal year, what was (a) the total amount (b) the amount by province granted to the provincial milk marketing boards or agencies or to milk processors in relation to consumer subsidies for fresh fluid milk or powdered milk under agreements between the government and the provincial governments or milk processors?

2. Of these totals, what amounts were granted for (a) fresh fluid milk (b) powdered milk?

Hon. E. F. Whelan (Minister of Agriculture): 1. (a) $74,620,777.01. (b) Newfoundland, $448,180.08; Prince Edward Island, $409,567.85; Nova Scotia, $2,620,621.13; New Brunswick, $2,178,279,25; Québec, $17,639,498.90; Ontario, $32,097,260.29; Manitoba, $2,978,715.22; Saskatchewan, $2,203,298.22; Alberta, $5,052,901.66 British Columbia, $8,992,454.41.

2.	(a)	(b)
Newfoundland	$ 448,180.08	$
Prince Edward Island	409,567.85	
Nova Scotia	2,620,621.13	
New Brunswick	2,178,279.25	
Québec	14,553,808.18	3,085,690.72
Ontario	27,276,418.72	4,820,841.57
Manitoba	2,931,524.18	47,191.04
Saskatchewan	2,192,691.22	10,607.00
Alberta	5,018,990.06	33,911.60
British Columbia	7,723,672.81	1,268,781.60

ELECTRIC FURNACES

Question No. 3,709—**Mr. Reynolds:**

With reference to the answer to Question No. 1,940, did the Department of Supply and Services award a contract valued at $303,414 to Atlas Steels Company, a division of Rio Algom Mines Limited, Welland, Ontario for the modification of one of the Company's electric furnaces and, if so (a) on whose initiative was the project suggested (b) for what reason was Rio Algom Mines selected?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) The project was suggested at the initiative of the Mines Branch of Department of Energy, Mines and Resources. (b) Rio Algom Mines was selected on the basis that it submitted the lowest price for the modifications and six weeks operation of the furnace.

CEMENT—MIRABEL AIRPORT CONSTRUCTION

Question No. 3,712—**Mr. Reynolds:**

1. With reference to the answer to Question No. 1,967, was a contract awarded by the Department of Supply and Services (a) on May 9, 1974 to Saint Lawrence Cement Company, Montreal, Quebec for 110,000 tons of cement at a cost of $35.62 per ton (b) on May 31, 1974 to Canada Cement Lafarge Ltd., Montreal, Quebec for 35,380 tons of cement at a cost of $34.00 per ton destined for the Mirabel Airport construction site?

2. In each case, was cement to be used for construction in 1974?

3. What is the justification for cost differential on the cement delivered to the same destination?

4. For what reason was it stated in the answer that Canada Cement Lafarge did not provide a firm price for the delivery of cement during 1975, when the year in question was 1974?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. (a) Yes, except that date of award of contract was April 23, 1974 as stated in part 1 to the answer to question 1,967. (b) Yes, except that date of award of contract was May 15, 1974 and the unit price was $34.07 per ton, FOB Mirabel airport site.

2. The contract awarded to St. Lawrence Cement Co. covered the supply of cement for the period April 23, 1974 to April 22, 1975 for the construction of cargo aprons which was to start in May, 1974 and be completed in 1975. Approximately 90,000 tons of cement was the estimated requirement for 1974, and 20,000 tons for 1975. The contract awarded to Canada Cement Lafarge Ltd. was for the supply of cement during the period May 15, 1974 to May 14, 1975 for the runway construction project.

3. Cost differential was the result of the province of Quebec transportation tariff. Both firms quoted a price of $29.91 per ton, FOB plant. The transportation tariff for St. Lawrence Cement was $5.71 per ton and for Canada Cement Lafarge $4.61 per ton.

4. As stated at the answer to part 2 above, the requirement for cement was for the construction of cargo aprons during a period of twelve months, from April 23, 1974. The cement requirement was estimated at 90,000 tons in 1974 and 20,000 tons in 1975. As stated in the answer to parts 4 and 5 of question 1,967, Canada Cement Lafarge would not quote on the 1974 portion of the cement requirement for the cargo aprons because their 1974 production capacity was already committed. Therefore, they only tendered on the deliveries to be made in 1975.

FISHING TRAWLER

Question No. 3,713—**Mr. Reynolds:**

1. With reference to the answer to Question No. 1,985, at the time of purchase, how old was the fishing trawler *Gulf Guard* obtained through the Department of Supply and Services under CIDA's authorization?

2. Did the Department consider purchasing a similar vessel with like dimensions from a shipbuilder?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Eight and a half years.

2. CIDA put a limit of $250,000 for the purchase and conversion of a vessel. Since the estimated cost of a new vessel was $1,250,000, it was not considered practical to approach shipbuilders for this requirement.

TOBOGGANS

Question No. 3,714—**Mr. Reynolds:**

With reference to the answer to Question No. 1,986, what are the special features of the $215.00 toboggan supplied to the Department of National Defence through DSS that justified (a) the expenditure per tobaggan (b) quantity ordered by DSS?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) See reply to question 3,611 (Dec. 12/75 *Hansard* page 9970). (b) Justification of quantity purchased is based on requirement and quantity as determined and requisitioned by the Department of National Defence in support of Winter Training Exercises conducted by that department.

Order Paper Questions

CANADIAN PATENTS AND DEVELOPMENTS LIMITED—CONTRACT

Question No. 3,716—**Mr. Reynolds:**

With reference to the answer to Question No. 2,004, did the Department of Supply and Services provide for a contract expenditure of $542,000 on behalf of Canadian Patents and Developments Limited during the period April to December 1974-75 and, if so (a) what are the details (b) what was the necessity of such expenditure?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Further investigation indicates that the contract for $542,000 with Gunther Mele Ltd. was negotiated on behalf of the Department of Supply and Services and not on behalf of the Canadian Patents and Developments Ltd. This error occurred as a result of a miscoding of the customer code in the computer system. The details of the contract are shown on the news release below.

OTTAWA, June 27, 1974: The Honourable Jean-Pierre Goyer, Minister of Supply and Services, announced today the award of a contract valued at $541,500 to Gunther Mele Limited of Brantford, Ont.

The contract calls for the supply of .5 million Olympic coin cases in conjunction with the Department of Supply and Services' coin-packaging project. The cases, designed to hold four coins each, will be delivered at a rate of 30,000 per week to the Canadian Printing Bureau in Hull, starting in August 1974.

PR 625/74

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DEPARTMENT OF SUPPLY AND SERVICES—INVENTORY

Question No. 3,718—**Mr. Reynolds:**

1. With reference to the answer to Question No. 2,022, what was the cost of interest charged on investment in the inventory of Department of Supply and Services stocks during 1973-74?

2. With what frequency are phased deliveries and direct shipments from factories made to user departments?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. $237,000. The rate changed quarterly and ranged from 6-3/8 per cent to 7-3/16 per cent during 1973/74. The value of the inventory during the period varied between $5.4 million and $7.5 million. Interest is paid on inventory less accounts payable.

2. DSS records are not maintained in a manner which reflects the frequency of phased and direct shipments. DSS records do indicate, however, that a total of 2,371 direct shipments from contractors to customer departments valued at $4,326,000 were arranged during 1973/74 which represented 16.5 per cent of total sales of stocked items during that fiscal year. The percentage of phased deliveries contained in these direct shipments is not known; however, scheduled deliveries are often arranged to meet relocation schedules and project schedules as specified by user departments.

Order Paper Questions

DOCKING FEES IN ST. LAWRENCE ISLANDS NATIONAL PARK

Question No. 3,725—**Mr. Cossitt:**

1. With reference to the answer to Question No. 2,396, which stated in part that the estimated cost of collecting fees for use of government islands in the St. Lawrence Islands National Parks would be $14,550 per year, what was the actual cost during the 1975 summer season?

2. With further reference to the answer, which stated that the estimated amount of annual fees to be collected was $52,000, what was the actual amount of fees collected during the summer of 1975?

3. Have boats been purchased for the purpose of collecting fees and, if so (a) what was the cost of each boat (b) where was it purchased (c) what amount was paid out in wages to all persons collecting such fees?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. $11,246.

2. $25,623.

3. (a) Two boats purchased at $9,175 each; (b) Mr. Ed Huck Marina, Rockport, Ontario; (c) $8,746.

TRANSLATION OF REPORT OF MR. JUSTICE WILLARD ESTEY

Question No. 3,726—**Mr. Mazankowski:**

1. On what date was (a) the report of Mr. Justice Willard Estey received by the Minister of Transport (b) a copy of the report turned over to those in charge of translation?

2. What was the volume, by number of words or pages, of translation required?

3. Was the translation done (a) in the Department of Transport (b) elsewhere in the government and, if so, how many translators were assigned to work on the report and what was the time deadline for completion of their work?

4. Was the translation done by outside contract and, if so (a) by whom (b) how was it awarded (c) what was the estimated cost (d) how many translators did the outside contractor undertake to assign to the task (e) what time deadline was a completed translation promised?

Hon. Otto E. Lang (Minister of Transport): Transport Canada advises as follows: 1. (a) Thursday, October 23, 1975. (b) Friday, October 24, 1975.

2. 388 typewritten pages, single-spaced.

3. (a) No. (b) Translation was undertaken by the Translation Bureau of the Secretary of State on a priority basis with a request to have the translation completed as soon as possible; no deadline was specified. A total of thirty-five translators were employed, for varying periods of time, during the translation process.

4. No.

BANGLADESH—FOOD AID

Question No. 3,728—**Mr. Huntington:**

1. Has the *Amoco Cairo*, carrying the gift of 129,000 tons of Canadian grain to Bangladesh, arrived at its destination and, if so, has the cargo been transferred through lighters to the people of Bangladesh?

2. Of the 129,000 tons shipped, how many tons actually were delivered in sound condition?

3. Of the cargo discharged, how many tons were (a) available for direct human consumption (b) suitable for animal feed (c) spoiled and lost during the loading?

4. What was the cost of (a) demurrage (b) loading the *Amoco Cairo* in Vancouver (c) discharging the cargo to lighters at destination?

[Mr. Goyer.]

5. What was the total cost of the charter of the *Amoco Cairo* to the Canadian people for the Bangladesh delivery?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The *Amoco Cairo* loaded 112,035 metric tons of grain and sailed from the port of Vancouver on May 3, 1975. The ship arrived off the coast of Bangladesh on June 6, 1975 began off-loading into lightering vessels at a point 58 miles off the port of Chittagong. This shipment was monitored during off-loading by a representative of the Canadian Government (CIDA).

2. Actual total tonnage delivered to Bangladesh from the *Amoco Cairo* was 112,031 metric tons and off-loading was completed July 25, 1975.

3. (a) The total cargo of 112,031 metric tons was of grade 3 Canadian Utility export quality wheat which is fit for human consumption. (b) Not applicable. (c) The remaining four metric tons was lost due to spillage during rough weather at the time of unloading. No loss was experienced during loading.

4. (a) Nil. (b) The cost of loading the *Amoco Cairo* in Vancouver is not known as it was included in the over-all freight rate. (c) The cost of discharging the cargo to lighters at destination is not known as it was included in the over-all freight rate.

5. The cost of the charter of the *Amoco Cairo* was $2,587,379.82.

CBC—RETENTION OF LAWYERS IN OKANAGAN BOUNDARY

Question No. 3,729—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Canadian Broadcasting Corporation during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Nil.

2. Not applicable.

RETENTION OF LAWYERS BY DEPARTMENT OF NATIONAL REVENUE IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,731—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of National Revenue during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Jack Cullen (Minister of National Revenue): 1. None.

2. Not applicable.

RETENTION OF LAWYERS BY DEPARTMENT OF LABOUR IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,734—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of Labour during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. John C. Munro (Minister of Labour): 1 and 2. Nil.

DEPARTMENT OF TRANSPORT—RETENTION OF LAWYERS IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,735—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of Transport during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Nil.

2. Not applicable.

URBAN AFFAIRS—LAWYERS IN CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,736—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Ministry of State for Urban Affairs during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Barney Danson (Minister of State for Urban Affairs): 1. None.

2. Does not apply.

RETENTION OF LAWYERS BY WAR VETERANS ALLOWANCE BOARD IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,738—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the War Veterans Allowance Board during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Nil.

2. Not applicable.

RETENTION OF LAWYERS BY DEPARTMENT OF ENVIRONMENT IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,739—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of the Environment during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): All lawyers who performed services for the Department of the Environment in 1973 and 1974 were hired through the Department of Justice.

RETENTION OF LAWYERS FOR FARM CREDIT CORPORATION IN CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,740—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Farm Credit Corporation during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises: 1. Gilchrist, R. W., Callaghan & Gilchrist, 208 Main Street, Penticton, B.C.

2. Fees paid to lawyers used in the Constituency of Okanagan Boundary, British Columbia by Farm Credit Corporation are paid as follows: (a) by the borrowers upon their direction out of the proceeds of the mortgage loans in which case Farm Credit Corporation does not maintain records of amounts so paid; (b) by Farm Credit Corporation on mortgage proceedings: 1973, Nil; 1974, Nil.

RETENTION OF LAWYERS BY DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,741—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of Consumer and Corporate Affairs during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The information requested is not available as departmental records are not kept on a constituency basis.

RETENTION OF LAWYERS BY DEPARTMENT OF VETERANS AFFAIRS IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,742—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of Veterans Affairs during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Nil.

2. Not applicable.

UNEMPLOYMENT INSURANCE COMMISSION—RETENTION OF LAWYERS IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,745—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Unemployment Insurance Commission during 1973 and 1974?

2. By year, what was the total amount paid to each?

Order Paper Questions

Hon. Robert K. Andras (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1 and 2. Not applicable.

RETENTION OF LAWYERS BY DEPARTMENT OF AGRICULTURE IN CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,747—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of Agriculture during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. E. F. Whelan (Minister of Agriculture): In accordance with Section 4 of the Government Contracts Regulation, the Department cannot contract for legal services.

RETENTION OF LAWYERS BY DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,748—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of Industry, Trade and Commerce during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Nil.

2. Not applicable.

RETENTION OF LAWYERS FOR IAND IN CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,749—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of Indian Affairs and Northern Development during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): There is no information available on file pertaining to the use of legal services in the Constituency of Okanagan Boundary, British Columbia. All such appointments are made by the Department of Justice.

RETENTION OF LAWYERS BY MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY IN OKANAGAN BOUNDARY, B.C.

Question No. 3,751—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Ministry of State for Science and Technology during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. C. M. Drury (Minister of State for Science and Technology): 1. Nil.

[Mr. Whittaker.]

2. Nil.

RETENTION OF LAWYERS BY NATIONAL ENERGY BOARD IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,753—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the National Energy Board during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): National Energy Board reports as follows: 1. Nil.

2. Not applicable.

ST. LAWRENCE SEAWAY—SPEED OF VESSELS

Question No. 3,758—**Mr. Cossitt:**

1. During the 1974 and 1975 navigation seasons, how many vessels other than pleasure craft were charged with, or in any way warned about, exceeding speed limits in the St. Lawrence Seaway between Cornwall and Kingston, Ontario?

2. In each case, what were the (a) dates (b) names and nationalities of the vessels (c) locations where each offence occurred?

3. (a) What are the maximum speed limits permitted in the area (b) how are they enforced (c) is it the intention of the government to take additional steps to enforce such limits to decrease damage to shore line private properties caused by swells from speeding vessels?

Hon. Otto E. Lang (Minister of Transport): The St. Lawrence Seaway Authority advises as follows: 1.

2. 1974

(a)	(b)	(c)
May 28	Arthur Simard—Canada	Brockville
June 27	E. B. Barber—Canada	Brockville
July 16	Fort William—Canada	Brockville
July 18	Ottercliffe Hall—Canada	Brockville
July 18	Thorshope—Norway	Brockville
Sept. 24	Leon Falk Jr.—United States	Brockville
Oct. 29	Arthur M. Anderson—United States	Brockville
May 27	Ajax—England	Maitland
June 13	Beavercliffe Hall—Canada	Maitland
June 18	Archangelos—Greece	Maitland
July 13	Senator of Canada—Canada	Maitland
July 26	Canadian Hunter—Canada	Maitland
Nov. 5	Norse Transporter—Norway	Maitland
June 4	Atlas Scan—Denmark	Prescott
June 4	Resolute Colocotronis—Greece	Prescott
June 26	Kingdoc—Canada	Prescott
July 27	Hilda Marjanne—Canada	Prescott
July 16	Fort William—Canada	Prescott
May 7	Georgian Bay—Canada	Mariatown
May 10	Penquer—France	Mariatown
May 10	James Norris—Canada	Mariatown
July 4	Lake Manitoba—Canada	Mariatown
Aug. 23	Scandic Wasa—Sweden	Mariatown
June 5	Uncle Sam VI—U.S.A.	Thousand Islands
June 5	Ida M.—Canada	Thousand Islands
June 5	Miss Kingston—Canada	Thousand Islands
June 5	Uncle Sam II—U.S.A.	Thousand Islands
June 5	Thousand Islander II—Canada	Thousand Islands
June 5	American Venus—U.S.A.	Thousand Islands

June 6	Miss Kingston—Canada	Thousand Islands
June 6	Thousand Islander—Canada	Thousand Islands
June 6	Thousand Islander II—Canada	Thousand Islands
June 20	American Adonis—U.S.A.	Thousand Islands
June 20	Miss Kingston—Canada	Thousand Islands
June 20	American Venus—U.S.A.	Thousand Islands
June 21	Thousand Islander—Canada	Thousand Islands
July 3	American Neptune—U.S.A.	Thousand Islands
July 27	Thousand Islander II—Canada	Thousand Islands
July 27	American Neptune—U.S.A.	Thousand Islands
Aug.24	American Venus—U.S.A.	Thousand Islands
Aug. 24	Thousand Islander II—Canada	Thousand Islands
Aug. 24	Lady Kingston—Canada	Thousand Islands
Aug. 24	Uncle Sam—U.S.A.	Thousand Islands
Aug. 24	American Venus—U.S.A	Thousand Islands
Aug. 28	Miss Kingston—Canada	Thousand Islands
Sept. 2	American Neptune—U.S.A.	Thousand Islands
Sept. 2	Miss Kingston—Canada	Thousand Islands
Sept. 2	Lady Kingston—Canada	Thousand Islands
1975		
May 9	Nipigon Bay—Canada	Brockville
May 11	Stadt Wolfsburg—West Germany	Brockville
May 12	Adonis—Greece	Brockville
May 27	Northern Frost—Greece	Brockville
July 14	St. Lawrence Navigator—Canada	Brockville
July 22	Anaris—Sweden	Brockville
August 27	Diana—Brazil	Brockville
Sept. 9	Buntenstein—West Germany	Brockville
July 22	Beavercliffe Hall—Canada	Maitland
Sept. 18	Simoa—Norway	Maitland
Oct. 23	City of Colombo—Scotland	Maitland
May 9	Eldrid—Norway	Prescott
July 17	Imperial Bedford—Canada	Prescott
July 28	Pandora—Liberia	Prescott
May 15	Zinnia—England	Mariatown
Nov. 6	Maridan C.—Canada	Mariatown
June 11	American Neptune—U.S.A.	Thousand Islands
June 28	American Venus—U.S.A.	Thousand Islands
June 28	Thousand Islander III—Canada	Thousand Islands
July 5	American Venus—U.S.A.	Thousand Islands
July 9	American Venus—U.S.A.	Thousand Islands
July 23	American Adonis II—U.S.A.	Thousand Islands
July 23	Thousand Islander II—Canada	Thousand Islands
Aug. 23	Thousand Islander III—Canada	Thousand Islands
Aug. 3	Lady Kingston—Canada	Thousand Islands
Aug. 3	Uncle Sam Jr.—U.S.A.	Thousand Islands
Aug. 14	American Neptune—U.S.A.	Thousand Islands
Aug. 14	Miss Kingston—Canada	Thousand Islands
Aug. 23	American Neptune—U.S.A.	Thousand Islands
Sept. 1	Thousand Islander—Canada	Thousand Islands

3. (a) Maximum speed limits (MPH)

From	To	Regular	High Water Level Conditions
	Richards Point Light		
Eisenhower Lock	55	13	12
Richards Point Light 55	Morrisburg Buoy 84	15	12
Morrisburg Buoy 84	Ogden Island Buoy 99	13	12
Ogden Island Buoy 99	Blind Bay—half mile east of Light 162	15	12
Blind Bay—Half mile east of Light 162	Deer Island Light 186	13	12
Deer Island Light 186	Bartlett Point Light 227	10 Upbd 12 Dnbd	9 Upbd 12 Dnbd
Bartlett Point Light 227	Tibbetts Point	15	12
	Thousand Islands Area (Canadian Waters)		
Junction of Canadian Middle Channel and Main Channel Abreast of Ironsides Island	Open Waters Between Wolfe and Howe Islands Through the Said Middle Channel	11	11

(b) Marine radar, except Maitland and Thousand Islands where speed is checked with transits and stop watches. (c) The St. Lawrence Seaway Authority has no plans to substantially increase surveillance of vessel speeds unless circumstances dictate otherwise.

NUMBER OF BOATS UNDER ADMINISTRATION OF PARKS CANADA

Question No. 3,759—**Mr. Cossitt:**

1. What was the number of boats using all canals under the administration of Parks Canada during the (a) 1974 season when there were no lockage fees (b) 1975 season when lockage fees were first instituted?

2. Was there a decline in the use of the canals and, if so, what was it in percentage terms?

3. In each case, how many boats using the canals were of United States registry?

4. Was there a decline in the number of US boats using the canals and, if so, what was it in percentage terms?

5. Will the government continue to charge lockage fees on all canals under the administration of Parks Canada during 1976?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

1. (a) 38,475 estimated. (b) 29,560 estimated.

2. Yes. 23 per cent

3. 1974, 5,560 estimated; 1975, 4,300 estimated.

4. Yes. 25 per cent

5. Yes.

Order Paper Questions

NUMBER OF BOATS USING RIDEAU CANAL

Question No. 3,760—**Mr. Cossitt:**

1. What was the number of boats using the Rideau Canal locks during the (a) 1974 season when there were no lockage fees (b) 1975 season when lockage fees were first instituted?

2. Was there a decline in the use of the Canal and, if so, what was it in percentage terms?

3. In each case, how many boats were of United States registry?

4. Was there a decline in the number of US boats using the Canal and, if so, what was it in percentage terms?

5. Will the government continue to charge lockage fees during 1976?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. (a) 7,900 estimated; (b) 6,550 estimated.

2. Yes. 17 per cent.

3. 1974, 2,870 estimated; 1975, 2,240 estimated.

4. Yes. 22 per cent.

5. Yes.

OVERNIGHT BOATING CHARGES—ST. LAWRENCE ISLANDS NATIONAL PARK

Question No. 3,761—**Mr. Cossitt:**

Is it the policy of the government to continue during 1976 the overnight boating charges instituted in 1975 for use of government owned islands in the St. Lawrence Islands National Park and, if so, what are the reasons to justify such a step?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Yes, overnight boat docking fees at St. Lawrence Islands National Park will continue to be charged in 1976. The reason is that users of National Parks are expected to pay a user fee as a contribution towards the cost of operation and maintenance of such parks.

MANPOWER AND IMMIGRATION—COMPETITION No. 75—M & I-CC-0-66

Question No. 3,764—**Mr. Cossitt:**

With reference to Competition 75-M & I-CC-0-66 of the Department of Manpower and Immigration dated April 30, 1975 (a) how many applications were received (b) how many persons tried the competition (c) who was the successful applicant (i) what is his salary (ii) what is a complete description of his actual duties (iii) in what location does he presently work (d) what are the names and addresses of all those on the eligible list established as a result of the competition?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (a) 12. (b) Nil—competition was cancelled on May 29, 1975. (c) Not applicable; (i) Not applicable; (ii) Not applicable; (iii) Not applicable. (d) Not applicable.

ANNUAL REVENUE OF CUSTOMS OFFICES

Question No. 3,768—**Mr. Allard:**

1. From 1972 to date, what was the annual revenue of the Customs Office in (a) Rimouski (b) Mont-Joli (c) Matane?

[Mrs. Campagnolo.]

2. Was a request made to close the Mont-Joli office and, if so, by whom?

Hon. Jack Cullen (Minister of National Revenue): 1.

Annual Revenue	1972-73	1973-74	1974-75
(a) Rimouski	$274,988	$335,579	$423,786
(b) Mont-Joli	54,012	24,232	23,904
(c) Matane	9,864	5,952	6,604

2. No.

COST OF AIR CANADA INQUIRY CONDUCTED BY HON. W. Z. ESTEY

Question No. 3,770—**Mr. McKenzie:**

1. What was the total cost of the Air Canada Inquiry conducted by the Honourable W.Z. Estey, including the printing costs of the report in both official languages?

2. What was the total remuneration paid to the Commissioner?

3. What are the names of each member on the Commission and the remuneration received by each?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Transport Canada advises as follows: 1. All of the accounts relating to the Air Canada Inquiry have not yet been submitted. It is expected that the finalization of all accounts will be completed by the middle of February and the information sought will be provided at that time.

2. The Commissioner received no rumuneration for conducting the Inquiry other than his salary as a judge of the Ontario Supreme Court and latterly as its Chief Justice. He was, of course, reimbursed for his travel and per diem expenses incurred during the period of the Commission.

3. The only member of the Commission was the Hon. Chief Justice W. Z. Estey.

IAND—EXPANSION OF OCCUPANCY AT KENT AND LAURIER STREETS

Question No. 3,774—**Mr. Cossitt:**

Is the Department of Indian Affairs and Northern Development expanding its occupancy at Kent and Laurier Streets in Ottawa within the next year and, if so (a) for what reason (b) how many additional square feet will it occupy (c) in what way is this consistent with the government's declared policy of restraint and non-expansion of the Public Service?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): The Department of Indian Affairs and Northern Development has no definite plans for expansion at Kent and Laurier Streets in Ottawa.

AIRCRAFT "NEAR MISSES"

Question No. 3,777—**Mr. Cossitt:**

Have any "near misses" between aircraft occurred in air space controlled by the Department of Transport Air Traffic Controllers since January 1, 1974 and, if so, in each case (a) on what date (b) at what location (c) what aircraft were involved (d) what was the result of the investigation, if any?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): The expression "near miss" has no official meaning in Air Traffic Services lexicon. Some states have attempted to define a "near miss" as a loss of separation between aircraft where the separation was reduced to less than 1,000 feet. However, in Transport Canada we speak of "Air Traffic Services irregularities", or "losses of separation" and they fall into two categories: critical and technical. The critical case could involve a loss of separation where one or both pilots in command took avoiding action, or there was no time to take such action, but the pilots concerned would have instinctively taken such action had there been time. A technical case is one where a loss of separation was reported but no avoiding action was considered necessary by pilots or controllers, but a report was filed. All losses of separation are investigated by a fact-finding board consisting of controller operations analysts from another unit and aviation safety officers. Findings and recommendations are made directly to the Director, Air Traffic Services, and the Director General, Civil Aeronautics whose offices ensure that appropriate corrective action is taken. The following critical losses of separation occurred in airspace controlled by Canada Air Traffic Controllers since January 1, 1974: (a) March 20, 1974. (b) Edmonton Industrial Airport. (c) CF-FUS, PA28 and Timeair 37/DHC6. (a) October 8, 1974. (b) 25 miles northwest of Moncton. (c) KLM flight 644, B747 and Capital International Airways flight 4902C, DC8. (a) November 3, 1974. (b) Vancouver International Airport. (c) Pacific Western flight 415, B737 and Air Canada flight 283, DC9. (a) June 11, 1975. (b) Toronto International Airport. (c) CF-VPK, Aztec and Eastern Airlines flight 308, B727. (a) August 6, 1975. (b) 15 miles northwest of Saskatoon. (c) Air Canada flight 290, DC9 and Viking 11, a Canadian Armed Forces CT14 (Tutor). (a) August 8, 1975. (b) Sydney, Nova Scotia. (c) CF-GHL, DC3 and N7242R, BE35. (d) Following each such incident, the circumstances were thoroughly investigated by an Air Traffic Services Fact Finding Board, and appropriate recommendations were actioned, designed to prevent reoccurrence.

ASSISTED HOME-OWNERSHIP PROGRAM—VANCOUVER ISLAND, B.C.

Question No. 3,780—**Mr. McKinnon:**

How much time elapsed between the final advertisement inviting inquiries regarding the AHOP scheme in September-October 1975 and the realization that no funds were available for the applicants on Vancouver Island?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation: Funds from CMHC's Capital Budget for 1975, for the AHOP under Section 34.15 of the National Housing Act, for lending on Vancouver Island, were sxhausted on September 4, 1975. The purpose of the advertisement, which appeared on September 23, was to draw attention to the AHOP financed by approved lenders under Section 34.16 of the NHA.

Order Paper Questions

CBC—FILMS BY DOUGLAS SINCLAIR PRODUCTIONS LIMITED

Question No. 3,783—**Mr. Friesen:**

1. Which films produced by Douglas Sinclair Productions Limited have had showings on CBC in the years 1965 to 1975?

2. How many showings did each film have and over which parts of CBC network?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1 and 2. See lists below.

CBC French Services Division
Use of films by Douglas Sinclair Productions Limited, 1965-75.

Title	No. of Occasions	Distribution
Le Berceau du ski	1	M/O/Mo/Q/Ma/Ro/Ri
	1	M/Mo/Q/O/J/C/Ri
	1	W
L'Hiver c'est le temps du ski	1	M/O/Mo/Q/Ma/TR/Ri
	1	M/Mo/Q/O/J/Ri
	1	W
Le Skieur débutant	1	M/O/Mo/Q/Ma/TR/Ri
	1	W
	1	M/Mo/Q/O/J/Ri
Le Ski en Nouvelle-Angleterre	1	M/O/Mo/Q/Ma/TR/Ri
	1	W
	1	M/Mo/Q/O/J/Ri
Les Laurentides et le skieur intermédiaire	1	M/O/Mo/Q/Ma/Ro/Ri
	1	W
	1	M/MO/Q/O/J/Ri
Le Skieur avance	1	M/O/Mo/Q/Ma/TR/Ri
	2	W
	1	M/Mo/Q/O/J/Ri
La Technique du ski passe	1	M/Mo/O/Q/Ma/TR/Ri
	1	W
	1	M/Mo/Q/O/Ri
Le Skieur expert	1	M/O/Mo/Q/Ma/TR/Ri
	1	Ed
	1	W
	1	M/Mo/Q/O/J/Ri
Le Ski de compétition le slalom	1	M/O/Mo/Q/Ma/J/TR/Ro/Ri
	1	Ed
	1	W
	1	M/Mo/Q/O/J
Le Ski de compétition: la descente et le slalom géant	1	M/O/Mo/Q/Ma/J/TR/Ro/Ri
	1	Ed
	1	W
	1	M/Mo/Q/O/J
Le Ski en Autriche et en Colombie-Britannique	1	M/O/Mo/Q/Ma/TR/Ri
	1	M/O/Mo/Q/Ma/S/Rim/J/TR/Ro/C/Ri
	1	Ed
	1	W
	1	M/Mo/Q/O/J/Ri
Les Bugaboos	1	M/O/Mo/Q/Ma/TR/Ri
	1	Ed
	1	W
	1	M/Mo/Q/O/J
Le Norvere et l'Holmenkollen	1	M/O/Mo/Q/Ma/TR/Ri
	1	Ed
	1	W
	1	M/Mo/Q/O/J
La Chasse aux oies de l'Arctique	1	M/O/Mo/Q/Ma/S/Rim/J/RO/Ri
	1	M/Mo/Q/O/Ro/C
	1	M/O/Mo/Q/Ma/Rim/C/Ri
	1	Ma
	1	Mo
	1	T/M/O/Mo/Q/Ma/W/Ro
L'Equitation en haute montagne	1	M/O/Mo/Q/Ma/S/Rim/J/TR/Ro/C/Ri

Order Paper Questions

Title	No. of Occasions	Distribution
	1	M/Mo/Q/O/T
	1	M/S/TR
Banff et ses plaisirs	1	T/M/O/Mo/Q/Ma
	1	W
	1	Ed
Le Saumon d'automne	1	W
	1	Ed
	1	T/M/O/Mo/Q/Ma/S/Rim/TR/Ro/C/Ri
Les Pistes poudreuses	1	M/O/Mo/Q/Ma/Rim/J/Ro/C/Ri
	1	T/M/O/Mo/Q/Ma/W/Ed/Rim/J/TR/Ro/C/Ri
	1	T/M/O/Mo/Q/Ma/S/Rim/J/TR/Ro/C/Ri/W/Ed
Plaisirs d'hiver au Québec	1	M/Mo/Q/O/Ro/C
	1	Ma
	1	T/M/O/Mo/Q/Ma/W/Ed/Rim/TR/Ro/C/Ri
Le Coho argente	1	M/Mo/Q/O/C
	1	M/O/Mo/Q/Ma/Ro/C/Ri
	1	T/M/O/Mo/Q/Ma/Rim/Ro/Ri
	1	T/M/O/Mo/Q/Ma/S/Rim/J/TR/Ro/C/Ri/W/Ed
	1	T
White Powder World	1	M/O/Mo/Q/Ma/S/Rim/J/TR/Ro/C/Ri

NOTES: M-Montreal, O-Ottawa, Mo-Moncton, Q-Quebec, Ma-Matane, Ri-Rivière-du-Loup, S-Sherbrooke, Ro-Rouyn, Rim-Rimouski, C-Carleton, J-Jonquière, TR-Trois Rivières, Ed-Edmonton, W-Winnipeg, T-Toronto.

CBC English Services Division
Use of films by Douglas Sinclair Productions Limited, 1965-75.

Title	Number of occasions	Distribution
Scarlet Guardians		*
Ski Films (4)		*
Snow Holiday		*
Sled Dog Race		*
Light From An Arctic Window		*
Quebec Winter Fun		*
Arctic Goose Hunt		*
White Trails		*
Wings From The North	5	W/E
Canoeing The Big Country	5	W/E
Ski	3	W/E
Silver Coho	3	W/E
Laurentian Calendar	4	W/E
High Riders	1	FN
Banff Country	2	FN
Bon Jour Montreal	2	FN
Autumn Salmon	4	W/E
Ski School (13)	28	W
Rocky Mountain Rainbow	3	W/E
Saskatchewan Fly Fishing	2	FN
Big Jasper Country	4	W/E
James Bay Goose Hunt	2	W/E
Inland Cruising	2	W/E
White Powder World	2	FN
The Paul Hahn Story	2	W
Cree Lake	2	W/NTS
Land of 60,000 Lakes	2	W/NTS
Flashing Silver	3	W/NTS
Parks and People	2	W/NTS
Fishing in Lapland	4	W/NTS
Canoeman's Wilderness	3	W/NTS
Big Northern Pike	4	W/NTS
Canoeing In The North Country Nordic Skiing	4	W/NTS
Canoeing the Churchill River	2	W/NTS
Riding the Big Country	2	W/NTS
North of Stockholm	1	NTS
Cross-Country Skiing	2	NTS
The Snows of Garibaldi	2	NTS
Reindeer Safari		
Long, Long Ski Trail	1	NTS

NOTES: CBC records do not indicate actual usage. This material was used both as standby and in the network series "Double Exposure", which ran during the 1965 to 1967 seasons. W—West network. W/E—West/East networks, not including Ontario. NTS—Northern Television Service. FN—Full network.

CMHC—NHA LOAN TO HOUSING BOARD, LAC-ETCHEMIN, QUEBEC

Question No. 3,787—**Mr. Lambert (Bellechasse):**

With reference to the answer to Question No. 3,251, how much does the Housing Board of Lac-Etchemin, Quebec repay each month to Central Mortgage and Housing Corporation?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: As stated in the answer to Question No. 3,251, (*Hansard*, December, 1975, Page 9846), the municipal Housing Bureau of Lac-Etchemin makes monthly payments of principal and interest on its loan to the Quebec Housing Corporation, and the amounts of such repayments are not therefore known to CMHC.

DEPARTMENT OF NATIONAL REVENUE—MOVING CONTRACTORS

Question No. 3,788—**Mr. Cossitt:**

For the years (a) 1972-1973 (b) 1973-1974 (c) 1974-1975, what were the (i) names (ii) amounts received by all moving contractors in the Ottawa area who were used by the Department of National Revenue without tenders being called?

Hon. Jack Cullen (Minister of National Revenue): (a) 1972-1973, (i) Crismar Enterprises; (ii) $20,000. (b) 1973-1974, (i) Crismar Enterprises; (ii) $101,000. (c) 1974-1975, (i) Crismar Enterprises; (ii) $89,000.

MIRABEL AIRPORT—ARCHITECTURAL INVOLVEMENT

Question No. 3,798—**Mr. Cossitt:**

What are the (a) names (b) addresses of all architects who were involved in any way directly or indirectly with the construction, design, etc. of Mirabel Airport and, in each case, what was the amount of remuneration?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport):

Architects who provided design to consulting engineers and for which transport has a direct contract with the architects

1.	Audy, Verreault Consulting Engineers	Blais & Bélanger, Architects 800 St. Denis Street Montreal, Quebec	$ 7,209.84
2.	Brais, Frigon, Hanley, Brett & Rinfret and Shawinigan Engineers Consulting Engineers	"	14,130.33
3.	Lalonde, Girouard & Letendre Consulting Engineers	"	5,994.86
4.	Beaudry, Dupuis, Morin, Pouthier Consulting Engineers	"	6,649.33

Architects who provided design and for which transport has a direct contract with the architects

1.	Blouin & Blouin 640 Cathcart Street Montreal, Quebec	$ 323,200.00
2.	P G L Architectes 2001 University Street Montreal, Quebec	5,094,425.00
3.	Longpré, Marchand, Goudreau, Dobush, Stewart 506 Ste-Catherine St., East Montreal, Quebec	621,019.00
4.	Ouellet & Reeves 2500 Bates Road Montreal, Quebec	318,745.37
5.	Bégin, Schreiber, Graham Landscaping Architects 1253 McGill College Montreal, Quebec	119,294.00

EXTERNAL AFFAIRS—RENOVATION TO ROOM 428N, CENTRE BLOCK

Question No. 3,799—**Mr. Cossitt:**

1. Did the Department of External Affairs make any arrangements to renovate Room 428-N of the Centre Block since August 8, 1974 and, if so (a) with whom (b) what are the names and job designations of all persons in the Department who made such arrangements (c) what is the name and job designation of the most senior official of the Department who authorized such arrangements (d) what are the reasons that the Department requested such arrangements (e) on what date was such a request made (f) what are the names and job designations of all employees of the Department who now work in Room 428-N or who will be posted to such location (g) did the Department pay for renovations to the office and for equipment placed therein (h) at what cost?

2. Does the Department have a policy of moving employees into the Centre Block of the Parliament Buildings and, if so (a) for what reason is such space required over and above the Lester B. Pearson Building (b) is it the policy of the Department to take over offices normally occupied by those engaged in the political process, such as Members of Parliaments, provided that such permission can be obtained?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. Yes. (a) The Department of Public Works and the Sergeant-at-Arms in the House of Commons. (b) Jacques S. Roy, Senior Departmental Assistant to the Minister. (c) Jacques S. Roy, Senior Departmental Assistant to the Minister, was the most senior official who authorized the arrangements. (d) The purpose was to provide office space for Mr. J. S. Roy, by subdividing room 428-N. Previously, the office had been occupied by one secretary and presently it is occupied by Mr. Roy and two secretaries. The partition was requested in order to alleviate the problems of noise and overcrowding in a room shared by three persons. (e) November 13, 1975. (f) Mr. Jacques S. Roy, Senior Departmental Assistant to the Minister, Mlle Francine Normandin, ST-SEC-1, Mlle Francine Cyr, ST-SEC-2. (g) The Department did not pay for renovations to the office, but it did pay for the installation of telephones. (h) The cost of telephone installation was $275.

2. The Department does not have a general policy of moving employees into the Centre Block of the Parliament Buildings. However, it has on occasion located one officer in the Centre Block, for the following reason: (a) When Parliament is in session, the Minister is primarily located at the House of Commons, while the Department is based at the Lester B. Pearson Building. In view of this, it is preferable for more efficient communication between the Minister and the Department to have one of its officers located at the Centre Block of the House of Commons. (b) It is not the Department's policy to take over offices normally occupied by Members of Parliament. Room 428-N was already occupied by one person working for the SSEA; now it is occupied by three persons working for the SSEA.

CENSUS AREA MANAGER POSITIONS

Question No. 3,805—**Mr. Bawden:**

1. Did Statistics Canada advertise for applicants for the position of 1976 census area managers and, if so, which regions do such areas include?

2. Was a knowledge of English and French essential for an applicant to be hired?

3. What is the duration of employment in the census area manager's position?

4. Is language training necessary and, if so (a) for what duration would such training be available (b) what is the estimated total cost based on the needs of the applicants who were hired (c) how many applicants have been accepted?

5. Were any applicants rejected because they lacked a fluency in both languages or because they refused to agree to the language training programme?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports the following: 1. Yes, Census area Manager positions were advertised for eight regional offices serving the following areas:

Regional Office	Description of Area
St. John's	Province of Newfoundland.
Halifax	Provinces of Nova Scotia, New Brunswick and Prince Edward Island.
Montreal	Province of Quebec except the electoral districts of Abitibi, Gatineau, Hull, Labelle, Pontiac, Témiscamingue and Villeneuve.

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Regional Office	Description of Area
Ottawa	The electoral districts of Abitibi, Gatineau, Hull, Labelle, Pontiac, Témiscamingue and Villeneuve in the Province of Quebec and the electoral districts of the province of Ontario situated north of and including the counties of Algoma, Nickel, Belt and Nippissing and east of and including the counties of Renfrew North—Nipissing East, Frontenac-Lennox and Addington and Kingston and the Islands.
Toronto	The area of the province of Ontario south of and including the electoral districts of Bruce, Parry Sound-Muskoka, Victoria-Haliburton, Hastings and Prince Edward-Hastings.
Winnipeg	Province of Manitoba, the electoral districts of Fort William, Port Arthur and Thunder Bay in the Province of Ontario and the electoral districts of Assiniboia, Moose Jaw, Qu'Appelle-Moose Mountain, Regina-East, Swift Current-Maple Creek and Yorkton-Melville in the Province of Saskatchewan.
Edmonton	Province of Alberta and the electoral districts of Battleford-Kindersley, Mackenzie, Meadow Lake, Prince Albert, Saskatoon-Biggar and Saskatoon-Biggar and Saskatoon-Humbolt in the Province of Saskatchewan.
Vancouver	Province of British Columbia.

2. Out of a total of 166 positions, 41 were designated bilingual. The 41 bilingual positions were distributed among the regional offices as follows: Halifax Regional Office, 3; Montreal Regional Office, 22; Ottawa Regional Office, 13; Toronto Regional Office, 1; Winnipeg Regional Office, 2.

3. The duration of employment for the census area managers is from 9 to 12 months depending on appointment dates.

4. According to the Official Language Administration System Manual (OLAS), page 349 article 3.3.1 (b), a term employee must meet the language requirements prior to being appointed. Language training is therefore not necessary for these positions.

5. For positions filled to this date, no applicants have been rejected as failing to meet the language requirements of the positions. Since language training is not available to applicants for these term positions, no agreement to undertake training was requested.

MR. JAMES SKAKIE

Question No. 3,808—**Mr. Fairweather:**

1. Is James Skakie, a Canadian citizen, in jail in Mexico and, if so (a) when was he arrested (b) how long did he remain in jail before sentence?

2. In December 1974, was his family informed that he would be released upon payment of $4,800 and, if so, was this sum deposited with the Canadian Embassy in Mexico City?

3. Did the Canadian Ambassador advise his family that he would be released in October, 1975?

4. Has he been released?

5. Has his family been informed that unless they pay an additional $2,500 he will be held for another year?

6. Will the Minister of External Affairs make appropriate representations for the immediate release of Mr. Skakie without further payments?

[Mr. Roy (Laval).]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): 1. James Skakie, a Canadian citizen, was arrested in Mexico on October 14, 1973. In September, 1974, he was sentenced. Under Mexican law, the courts have up to one year from the date of arrest to pronounce sentence, during which time an investigation and trial take place. It is normal for a trial to last from three to ten months.

2. In September, 1974, Mr. Skakie was approached by a private Mexican citizen calling himself Mayor Pena who offered to effect his release for a payment of $4,800. Mr. Skakie informed his family by telephone of this offer. He was strongly advised by the Canadian Embassy not to turn over any money to anyone promising fast release by obviously extra-legal means. Mr. Skakie's lawyer was at this time appealing his sentence through normal legal channels. No sum of $4,800 was ever deposited by the family with the Canadian Embassy.

3. In a letter dated May 15, 1975, to Mr. Morton Shulman, who was enquiring on behalf of the Skakie family, the Canadian Ambassador stated that the Mexican judicial system allows a detainee to be released on grounds of good behaviour after he has served two-thirds of his sentence; accordingly, Mr. Skakie would be eligible for release in October, 1975. It should be noted that release after serving two-thirds of a sentence is not automatic.

4. Mr. Skakie has not been released. He has applied for release on good behaviour and the Mexican authorities are at present considering his application. The Embassy was informed by the Mexican authorities that, owing to a considerable backlog of cases, a decision on reduction of Mr. Skakie's sentence would be delayed.

5. On September 5, 1975, the Embassy was informed by Mr. Skakie's lawyer that an appeal to a higher court had been successful and a bail of $2,500 had been set. If Mr. Skakie agreed to pay this bail, he would be relased from prison and deported, the bail becoming, in effect, a fine. This is a legal concession sometimes granted to foreign prisoners. This information was passed on to the family by the Department of External Affairs. Mr. Skakie was confident, however, that his application for reduction of sentence would be successful and that he would soon be released. He therefore decided not to post the bail. When Mr. Skakie was last contacted by an officer of the Embassy, he was still confident that his application would be successful.

6. The Department of External Affairs and the Canadian Embassy in Mexico have been following this case very closely, and have frequently made representations to the Mexican authorities to ensure that Mr. Skakie obtain his full rights under Mexican law. As Mr. Skakie has been legally tried and sentenced, and as there is no evidence of discrimination against Mr. Skakie, there are no grounds for making representations requesting his immediate release. The Embassy will, however, continue to follow the case and assist Mr. Skakie to effect his release by normal judicial means.

TDA FELLOWSHIP PROGRAM

Question No. 3,809—**Mr. Marshall:**

1. Has the Department of Transport communicated details of the Development Agency Fellowship Programme for post-graduate studies relating to transportation which offers $4,650 individual awards plus tuition fees to post-graduate students across Canada?

2. Is information available for prospective applicants from Memorial University in Newfoundland and, if so, on what date was the information sent to the University?

Hon. Otto E. Lang (Minister of Transport): Transport Canada advises as follows: 1. The Transportation Development Agency administers the TDA Fellowship Program on behalf of Transport Canada.

2. Due to the Post Office strike the annoucements, posters, booklets, and application forms were sent out by Bankers Dispatch Corporation during the week of November 10. These were sent to Deans of Graduate Studies at 49 Canadian Universities and Colleges. An envelope containing 10 posters, 5 booklets and 5 application forms was sent to Dr. F. A. Aldrich, Dean, Faculty of Graduate Studies, on November 11th, BDC Waybill M614017.

MR. GARRY B. PETTITT

Question No. 3,817—**Mr. Brisco:**

1. Has Mr. Garry B. Pettitt, SIN No. 451-287-304 ever been charged with a criminal offence and, if so, was forgery one of the charges?

2. Has Mr. Pettitt ever been convicted of a criminal offence?

Hon. Warren Allmand (Solicitor General): Information contained in criminal record files is exchanged among authorized law enforcement agencies under authority of the Identification of Criminals Act. Publication of such information beyond these limits could not be made while under protection from criminal or civil liability. To do so could be construed as an invasion of an individual's privacy. The Royal Canadian Mounted Police is not in a position to reveal publicly the existence or otherwise of records of criminal charges.

MIRABEL AIRPORT—INTERNATIONAL AIR CARRIERS

Question No. 3,818—**Mr. Jelinek:**

1. Which of the international air carriers certified to operate in Canada will be based at Mirabel Airport?

2. Which of the airlines have been forced by the government to establish their bases at Mirabel Airport against their wishes?

3. Has the Department of Transport, or any other department, received any communication from the International Air Transport Association on behalf of foreign air carriers who object to being forced to establish their bases at Mirabel Airport?

4. What is the estimated cost of converting facilities at Mirabel and Dorval Airports to accommodate the use of French and English as languages of communication in air traffic control?

5. Will the Minister of Transport provide copies of communications from IATA and/or ICAO containing their opinions of the government's plans to implement French as a language of use in air traffic control at Quebec airports particularly at Mirabel and Dorval Airports?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Aer Lingus, Aeroflot, Aero Mexico, Air Canada, Air France, Alitalia, British Airways, CP Air, Ceskoslovenske Aero, El Al (Israel), Iberia, KLM, Lufthansa, Olympic, Sabena, SAS, Swissair, TAP (Portugal).

2. International carriers were informed in November, 1973 that international operations would all be transferred to Mirabel; there is no record of protest against the move from Dorval.

3. No communications from International Air Transport Association have been received but direct communication from KLM requested assurance of domestic inter-connections.

4. No decision has been made to accommodate the use of French and English as languages in air traffic control at Mirabel and Dorval Airports. The decision will depend upon the successful completion of simulator studies which are being planned to start early in 1976.

5. No communications have been received from IATA and/or ICAO.

IMPLEMENTATION OF FRENCH AS A LANGUAGE OF USE IN COMMUNICATIONS AT AIRPORTS

Question No. 3,819—**Mr. Jelinek:**

1. Has the Minister of Transport had discussions with the (a) International Civil Aviation Organization (b) International Air Transport Association with respect to the implementation of French as a language of use in air-to-ground and ground-to-air communications at airports in Quebec and (i) if so, in each case, what was their position (ii) if not, for what reason were such discussions not initiated by the government?

2. Were discussions initiated with either ICAO or IATA, or both, with regard to the use of French as a language of communication in air traffic control at Quebec airports, by any department other than DOT and, if so, what were the results?

Hon. Otto E. Lang (Minister of Transport): 1. (a) and (b) No. (i) Not applicable. (ii) The ICAO position is clearly stated in Annex 10, Section 5.2 Radiotelephony Procedures—Language to be used. 5.2.1.1.1 Recommendation—In general, the air-ground radio-telephony communications should be conducted in the language normally used by the station on the ground. 5.2.1.1.2 Recommendation—Pending the development and adoption of a more suitable form of speech for universal use in aeronautical radiotelephony communications, the English language should be used as such and should be available, on request from any aircraft station unable to comply with 5.2.1.1.1, at all stations on the ground serving designated airports and routes used by international air services. The IATA is an association of international air carriers which concerns itself primarily with economic factors in international aviation and it is not customary or practical for States to consult with such organizations in matters such as operational safety standards which are adequately served by ICAO.

2. Transport Canada is not aware of any discussions by any department with, IATA or ICAO, on the use of French as a language in air-ground communications.

TRANSPORT DEPARTMENT—CIRCULAR ISSUED ON "UNITS WORKING IN FRENCH (UWF)"

Question No. 3,856—**Mr. Cossitt:**

1. Was a two page circular issued during or around the month of October, 1975 within the Department of Transport headed "Units Working in French (UWFs)" and, if so (a) what was the exact purpose of the

document (b) did it state on page 2 that supervisory positions within these units will demand a new and much higher level of French which has been labelled level 77 (c) was level 77 described as a high degree of fluency in the French language "so high, in fact, that the PSC cannot now train Anglophones to reach this level" (d) did it also state that "in the practical world almost all of these level 77 positions will eventually be filled by Francophones"?

2. Does the document indicate that it is government policy to prohibit Anglophones who are bilingual from working within what have been classified as "Units Working in French" and, if so, for what reason?

3. Are steps being taken to end this discrimination and, if so, what are they?

Hon. Otto E. Lang (Minister of Transport): 1. (a) to (d) No such circular is known to have been issued during or around October, 1975 within Transport Canada.

2 and 3. Not applicable.

MIRABEL AIRPORT—SNOW REMOVAL EQUIPMENT

Question No. 3,811—**Mr. Caouette (Témiscaminque):**

Was there any snow removal equipment bought for the Mirabel Airport and, if so (a) how many units (b) at what price (c) who were the tenderers and what price was quoted by each (d) who was the successful tenderer?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Yes. (a) Three. (b) $173,080.00 each = $519,240.00 total. (c) Danline Canada Limited, Almonte, Ontario was the only firm asked to submit an offer. This Company is the Canadian distributor of the "Snowblast" RAHS-300A-75C high speed snowblower, the unit found to be the most effective in removing all types of snow from airport runways and approaches thereto, while maintaining an excellent serviceability rate. The superiority of this machine was determined by the Ministry of Transport during extensive testing over two winters. (d) Danline Canada Limited, Almonte, Ontario.

UIC—STATISTICS, PEI

Question No. 3,873—**Mr. Macquarrie:**

1. What was the total number of Unemployment Insurance claims in the Province of Prince Edward Island in each month since January, 1972?

2. For the same period, what were the total amounts of money benefits paid?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1 and 2. See Statistics Canada Publication 73-001 entitled "Statistical Report on the Operation of the Unemployment Insurance Act."

ARCHAEOLOGICAL DIGS, PICKERING, ONTARIO

Question No. 3,874—**Mr. Fairweather:**

Have representations been received to declare or designate archaeological digs at the Draper Site, 8th Concession and the White Site, 7th Concession, Township of Pickering, Ontario, historical preserves or historic sites respectively and, if so (a) what is the outcome of such representations (b) on what date will a decision be announced?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): (a) Representation has been received to declare the Pickering Airport Site a Historical Site. It is not known if Pickering Site refers to the White Site or the Draper Site, but research on the latter two is in progress. When the Historic Sites and Monument Board of Canada met in November 1975 there was not sufficient information gathered to permit the Board to assess fully these sites. (b) It is hoped to have the necessary research completed by the time the Board meets again in June, at which time the White and Draper Sites will be discussed.

DEPARTMENT OF TRANSPORT—USE OF TWIN ENGINE TURBOJET

Question No. 3,877—**Mr. Bawden:**

On April 1, 1974 did a Department of Transport twin engine turbojet, originated in Ottawa (a) land first in Muskoka (b) proceed to Kitchener-Waterloo airport without any passengers (c) stand with its engines idling for half an hour (d) take two youths to Ottawa and, if so (i) how much did this round trip cost the government (ii) what was the purpose of the trip (iii) who were the passengers brought back to Ottawa (iv) was it necessary to use such an expensive mode of transportation for two people?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): (a) Yes; (b) yes; (c) no; (d) no; (i) $565. (ii) Flight Training MOT Civil Aeronautics Inspectors. (iii) W. R. Glenn. (iv) This was a routine training flight and not specifically transportation for anyone.

TOLLS—TRENT-SEVERN AND RIDEAU CANAL SYSTEMS

Question No. 3,878—**Mr. Gillies:**

1. In 1975 did the government begin to charge tolls to the users of the Trent-Severn and Rideau Canal systems and, if so (a) what was the capital cost of (i) new buildings (ii) new offices (iii) safes in the various lockmaster's offices (iv) cars for those collecting money at the locks (v) other capital outlay necessitated by the commencement of this practice (b) how many additional persons were employed after the introduction of tolls on the canal systems?

2. Are those employed (a) students (b) part-time help who would not be working during the closed season?

3. How many permits were issued in 1975 and what was the gross revenue from these permits?

4. How many boats locked through the Canals during each year 1974 and 1975?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. Yes.

	Rideau Canal	Trent Canal
(a) Capital Cost of:		
(i) New Buildings	Nil	Nil
(ii) New Offices	Nil	Nil
(iii) Safes in Lockmaster's Offices	$7,099.69	$9,867.00
(iv) Cars for collecting (rental)	$960.00	$4,469.00
(v) Other capital outlay	Nil	Nil
(b) Additional persons employed after introduction of tolls on Canals	19 additional employees recruited for 4.50 man-years	27 additional employees recruited for 3.61 man-years

2. Additional persons employed were: (a) Students: Rideau Canal, 15; Trent Canal, 21. (b) Part-time: Rideau Canal, 4; Trent Canal, 6.

3. Trent-Severn Waterway: Permits, 17,804; Revenue, $129,019; Rideau Canal: Permits, 6,380; Revenue, $44,050.

4. Trent-Severn Waterway: Vessel movements, 1974, 216,-484, Vessel movements, 1975, 167,881; Rideau Canal: Vessel movements, 1974, 72,556, Vessel movements, 1975, 62,984.

FARM CREDIT CORPORATION—LOAN APPLICATION

Question No. 3,879—**Mr. Beatty:**

Has the Minister of Agriculture at any time overruled a decision by the Farm Credit Corporation to turn down a loan application and, if so, in each case (a) what was the name of the farmer (b) on what date was the loan approved (c) what was the amount?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises: No. (a) Not applicable. (b) Not applicable. (c) Not applicable.

A. H. HOLMES—EARLY RETIREMENT

Question No. 3,881—**Mr. Beatty:**

Did Mr. A. H. Holmes take early retirement from his post as Director of the Lending Branch of the Farm Credit Corporation and, if so, for what reason?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises: Retired December 30, 1975 following completion of 34 years of public service. The reason for retirement is personal.

* * *

● (1510)

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 2,607, 3,114, 3,217, 3,318 and 3,552 could be made orders for returns, these returns would be tabled immediately.

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

RELEASE OF PRISONERS

Question No. 2,607—**Mr. Schumacher:**

1. By institution, how many prisoners were released in each month commencing January 1, 1974 to date?

2. In each case, what was (a) the length of sentence at the time of incarceration (b) the nature of the crime for which sentence was imposed (c) the actual length of sentence served?

3. How many released since January 1, 1974 (a) were receiving psychiatric assistance during incarceration (b) continued to receive psychiatric help after release (c) were considered to be of sound mental condition upon release?

4. How many released since January 1, 1974 have become repeat offenders, and (a) how many are serving sentences in (i) maximum (ii) medium (iii) minimum security institutions (b) are on parole (c) in each case, what was the nature of the repeat offence and length of sentence imposed?

Order Paper Questions

5. By institution, how many prisoners were incarcerated for crimes of (a) murder (b) armed violence (c) unarmed violence (d) rape?

Return tabled.

CBC EMPLOYEES

Question No. 3,114—**Mr. Schumacher:**

1. By year since 1970, how many persons were employed by CBC on the basis of (a) full-time (b) part-time (c) contract (d) free-lance in (i) Halifax (ii) Montreal (iii) Toronto (iv) Ottawa (v) Winnipeg (vi) Edmonton (vii) Calgary (viii) Vancouver (ix) Victoria?

2. In each case, how many employed in (a) executive (b) administrative (c) policy planning were (i) unilingual English (ii) unilingual French (iii) bilingual of French origin (iv) bilingual of English origin?

3. In each case, what was the annual amount paid in (a) salaries (b) expenses?

Return tabled.

UNITED NATIONS ACCOUNTS

Question No. 3,217—**Mr. Stanbury:**

As of September 30, 1975 (a) what amount is owing by each country in arrears of payment of the special United Nations assessment for maintenance of the UN Emergency Force and the UN Disengagement Observer Force in the Middle East (b) how much has Canada received on account of its contribution to these forces (c) what amount is owing to Canada on this account?

Return tabled.

HIRING POLICY IN ATLANTIC REGION

Question No. 3,318—**Mr. Jones:**

1. What is the policy and procedure adopted by (a) Canadian National Railways including Canadian National Express (b) Information Canada (c) Canadian Broadcasting Corporation with respect to hiring appointments and promotions in the (i) Atlantic Region (ii) Moncton area?

2. What are the tests and criteria used to develop the policy?

3. Do many of the bulletins specify fluency in French and, if so, for what reason?

Return tabled.

CONTROL OF EFFLUENTS FROM FISH PROCESSING PLANTS

Question No. 3,552—**Mr. Marshall:**

1. Since the introduction of the national guidelines for control of effluents from fish processing plants (a) what are the names of such plants (b) which ones have negotiated schedules of compliance (c) how many new plants have been established?

2. Have the new plants fulfilled the treatment requirements and, if not, which ones?

Return tabled.

GOVERNMENT ORDERS

[*English*]

HALIFAX RELIEF COMMISSION ACT

MEASURE TO REPEAL ACT AND TO AUTHORIZE CONTINUATION OF PENSIONS PAID BY COMMISSION

Hon. Mitchell Sharp (for the Minister of Finance) moved that Bill C-78, to repeal an act respecting the Halifax Relief Commission and to authorize the continuation of pensions, grants or allowances paid by the Halifax Relief Commission, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Speaker: Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising on a point of order?

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker, I rise to make a speech.

Mr. Speaker: I know the hon. member is anxious to get on with the debate, but perhaps we could put the third reading motion first. When shall the bill be read the third time?

Some hon. Members: Now.

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

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this bill required little discussion at the second reading stage on Friday, December 12. It was dealt with expeditiously in the Standing Committee on Finance, Trade and Economic Affairs, to which it was referred and in which it was discussed on Tuesday, December 16. Likewise, I believe it will be dealt with in a few minutes this afternoon.

Mr. Stanfield: Don't be too sure, Stanley.

Mr. Knowles (Winnipeg North Centre): There is one point which I raised at the second reading stage on December 12 which was dealt with in committee and concerning which I want the position to be very clear. This bill relates to the payment of pensions to persons who are still living as survivors of the Halifax explosion of 1917. Originally, some 1,600 or 1,700 persons were killed in that explosion and some 10,000 were injured. Over the years a good deal of money has been paid out in pensions, but according to the last report, the number still alive and drawing pensions is now down to 65.

When we debated this bill at second reading I expressed concern as to whether the Canadian Pension Commission, which will administer these pensions, from now on, would be a body authorized merely to pay out the pensions in amounts already determined or whether that commission would have authority to escalate pensions in accordance with the rise in the cost of living. I wanted to know whether it would have authority to deal with any new applications on the part of survivors, if there should be such new applications. During my speech on Friday, December 12, 1975, I asked these questions, as noted on page 9985 of *Hansard*. The Parliamentary Secretary to the Minister of Finance (Mr. Trudel) rather disturbed me with what he said. He noted that I had asked my question, that there had been similar questions put by the hon. member for Halifax-East Hants (Mr. McCleave), and then he said, as noted on page 9986:

The hon. member for Winnipeg North Centre was particularly concerned about that point—

He was referring to the point concerning pension payments being escalated because of the rise in the cost of living. He went on to say:

—although the hon. member for Halifax-East Hants would also like to see the matter of pensions reviewed. I am wondering if this bill would permit such a review, or the inclusion of new people who are still suffering and are seeking some consideration. From my reading of the bill I am not aware of such possibilities. However, this point can best be raised in committee.

I am more or less satisfied with what was said in committee a few days later, and I shall quote the evidence given before the committee in a moment. But I feel that the questions I raised in this House should not rest with the negative statement made by the Parliamentary Secretary to the Minister of Finance. As I said, the committee dealt with this matter on Tuesday, December 16. The hon. member for Halifax-East Hants referred to the questions which both he and I had asked. He was answered by Mr. Allan O. Solomon, chairman of the Canadian Pension Commission, the body which will administer these pensions in the future. Mr. Solomon said, as reported on page 79:14 of the Minutes of Proceedings and Evidence of the Standing Committee on Finance, Trade and Economic Affairs:

Mr. Chairman, we have—or we will have—from the Halifax Relief Commission the formulas which they have been using, and which they established some years ago. I would anticipate that we would use those formulas as a starter and from there, depending again on how much money there is available for the purpose, we would eventually try to evolve a formula which we feel would be fair to all concerned, and try to relate as much as possible to the disability pensions which we pay for similar types of cases on the war disabled.

Then the hon. member for Halifax-East Hants asked this supplementary question:

Would the pensioners, Mr. Chairman, be then on a similar footing as say somebody who had suffered severe injury in the trenches in the first world war?

Mr. Solomon replied:

They are not on a similar footing financially now, and it is hard to say of course in advance if they would become on a similar footing later. But certainly we would hope to bring them as close together as we possibly can.

The answer given by the chairman of the Canadian Pension Commission is reassuring, and the Parliamentary Secretary to the Minister of Finance said more or less the same thing, but in different words, when the matter was before the committee. The issue, as we all know, is important. There are now not more than 65 persons drawing these pensions. Some of us are in touch with some of these persons. On December 12 I mentioned a boy, four years old, who was blinded in the Halifax explosion of 1917 and who has been blind for 58 or more years. He is now approximately 62 years old. This man's pension has been increased a bit during the years, but has not kept pace with the rise in the cost of living; nor has it kept pace with what has happened to war disability pensions.

I think we all agree that those who suffered from the Halifax explosion of 1917 were, in effect, in the front line of World War I and that they should be treated that way. I know that veterans' organizations in this country feel that way, and Mr. Solomon and the other members of the Canadian Pension Commission feel that way as well.

● (1520)

I am not asking that there be an announcement in the House that these pensions will increase by a certain percentage, or what have you. However, I would like the matter to be clear. Since the Parliamentary Secretary to the Minister of Finance is here and has not yet spoken at the third reading stage, he can speak now and I hope he will make it clear that under this legislation the Canadian Pension Commission has the authority that Mr. Solomon said to the committee he believes the commission has.

As I pointed out when I spoke on December 12, I do not think it is good enough for us to make the Canadian Pension Commission a bookkeeping agency that merely carries on what has been decided, because it is a dynamic situation; there are these 65 people still alive and there could be situations in which survivors with dependants might be making new applications for pensions. I want the Canadian Pension Commission to have the same authority to consider new applications and to review the levels of pensions arising from the Halifax explosion that it has with respect to war disability pensions generally.

I am sure I speak for all who are interested in this matter, interested because some come from that area or interested because some of us actually remember at least the news of that terrible explosion in 1917. We applaud the decision to find some other means than now exist for carrying on this work. We think the decision to have the Canadian Pension Commission handle the matter is wise and we support it. We also approve of the provision in the legislation that says that when the job is all done, when there are no more survivors and no more pensions to be paid out, any money left over is to go back to Halifax for further rehabilitative work in areas of Halifax that were affected by the explosion.

I do not want to suggest that I am older than members of this House think I am, but for those of us who remember that catastrophic event it is interesting to know that this work of humanitarian mercy has gone on over these many years. We are glad to know that it will be carried on as long as it is necessary. However, we hope the word will get out to those who are survivors that if they have a case for a higher level of pension than they are now receiving, the Canadian Pension Commission will have authority to deal with their claims.

I am sure all of us in the House are ready to support this bill and give it third reading. However, I hope that the Parliamentary Secretary to the Minister of Finance will in fact welcome the opportunity I am giving him to correct the statement he made on second reading, and make clear that under the legislation the Canadian Pension Commission will have the authority that Mr. Solomon seemed to think it would have once Bill C-78 has been passed.

[*Translation*]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I think I join the hon. member for Winnipeg North Centre (Mr. Knowles) who voiced some concern about the answer I gave in the month of December last at the time he was asking questions. I did say that those questions could certainly be answered in committee. As he indicated himself, Mr. Solomon who appeared before the committee at that time answered as the hon. member for Winnipeg North Centre said he did. At that time, the hon. member for Halifax-East Hants (Mr. McCleave) was asking the same questions, and I think that he too had the same concerns. He was concerned, hoping that people who had really suffered and who were suffering or who had an aggravation of the injuries they had sustained at the time of the explosion or after could turn to the Halifax Relief Commission and ask for a revision of their case to get some increase in their pensions.

I think Mr. Solomon answered very well, and quite clearly. Contrary perhaps to the doubts I had expressed in this House he voiced an opinion that was clear and specific, and that must be noted, as the hon. member did.

As to the distribution of the amounts of money that could remain after all the pensions will be paid out, there is clear agreement, the legislation is quite clear about that. There is no doubt that the funds will be well used to improve the city of Halifax or the surroundings where the explosion took place.

The hon. member also pointed out something about the new distribution of the funds. I think that happened in the past, and we were always interested in relieving the people who were referred to us. However, I do not think I left the impression that there had been changes in that respect. I think that Mr. Solomon was quite clear, that his interpretation is still the same, that the people of the Canadian Pension Commission are becoming administrators, that there had been no change of policy in the government position but only new administrators. I agree with the interpretation the hon. member kindly gave of the remarks made by Mr. Solomon, and I think that all members want at least relief for those who suffer, even if the number is restricted. I think that the sufferings of those people are much greater than what one imagines, and I ask for the sympathy of all members of this House.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to emphasize two or three points to supplement what was said at second reading stage by the hon. member for Halifax-East Hants (Mr. McCleave), what was said in committee, and what was said in the House this afternoon by the hon. member for Winnipeg North Centre (Mr. Knowles). In my judgment, the Pension Commission should interpret clause 2(3) generously. That is the clause the hon. member for Winnipeg North Centre has been discussing. I assume it gives the Pension Commission power to pay pensions to applicants for the first time and to adjust the level of existing pensions.

A great deal of time has gone by since the catastrophe in 1917. With the passage of time, cost of living increases and other factors, it is imperative that those responsible for administering these pensions review their level urgently

and frequently. In addition, the Pension Commission must be prepared to receive sympathetically new applications and, indeed, applications which the Halifax Relief Commission may have turned down, because nobody is beyond mistake. I cannot emphasize too strongly the importance of the Pension Commission approaching with an open mind applications which may come before it. It must not approach an application on the basis that it had been dealt with already by the Halifax Relief Commission on some day gone by.

In the interests of those who suffered from the explosion, or believe they did, it is important that they not only be dealt with fairly but believe they are being dealt with fairly. It is my hope that the Pension Commission will review the level of existing pensions urgently and frequently and will approach new applications with an open mind, including any that may have been rejected earlier by the Halifax Relief Commission.

● (1530)

The hon. member for Winnipeg North Centre said he would be pleased to suggest ways of disposing of any money which might be left over after the needs of pensioners, or potential pensioners, had been looked after. I wish to emphasize that the aim should be not to have anything left over, and I am sure the hon. member for Winnipeg North Centre would agree with me. The aim should be to see that the money which was set aside for the purpose is used in its entirety to help those who suffered in the Halifax explosion. I hope the Pension Commission will not worry about having money left over, in terms of helping the part of the city which was damaged, desirable though that might be. I repeat, without apology, that the Pension Commission should approach its task on the basis that the money should be made available to those who suffered as a result of that catastrophe in 1917.

I should like to emphasize, too, that the Pension Commission should take special measures to ensure that there is adequate liaison in the Halifax area to serve the needs of the pensioners and those who may for one reason or another feel it desirable to make application to the commission under the bill before us. It is important that these men and women receive adequate service and that there be satisfactory liaison arrangements on the spot. Indeed, I would go so far as to say that the Pension Commission should associate with itself, in the discharge of these responsibilities, some well informed person from the Halifax area, not for the purpose of continuing to ensure that the commission continue to apply the same principles and follow the same practice as the Halifax Relief Commission—this might not be desirable in every case—but, rather, for the purpose of making certain that the commission and those dealing with applications are fully familiar with the local circumstances affecting cases.

I shall not keep the House any longer. I am prepared to have the bill passed on third reading on the basis that the commission will be fully authorized to increase existing pensions or to grant new pensions where it sees fit. As I resume my seat, I mention again the importance of the Pension Commission adopting the attitude that this money is for the benefit of those injured in the explosion of 1917, and I hope the commission will not worry about trying to leave money over for some other purpose, desirable though that other purpose might be.

[Mr. Stanfield.]

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

* * *

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed, from Friday, December 12, 1975, consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the third time and do pass.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to participate in this third reading debate following some of my colleagues, notably the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), the hon. member for Moose Jaw (Mr. Neil), who also made a proposal, and the hon. member for Swift Current-Maple Creek (Mr. Hamilton) who made another proposal. This proposal was put forward by the members of our party in the hope that the government might, even at this point, reconsider its position. If they must go through with the bill in its present form, unacceptable though it is, they might within a year draft amendments or, if necessary, redraft the bill in such a way as to meet the requirements of those for whom it is intended. At the same time, it could be presented in such a way as to be understandable to the producers themselves.

The legislation before us embodies many shortcomings. Some of these were pointed out in the course of previous debates. I have just mentioned one of them: nobody understands it. It provides for payments to producers despite the fact that they might not need payments in a particular year. In fact, payments might be a disadvantage to them because they might find themselves in a higher income tax bracket. Conversely, payments are not made in years when they are really needed. Payments to those who qualify are made a year late, and that is not when they need the money; they need the money during times of depressed prices, low sales, or while the effects of natural hazards are being felt.

To remedy a few of these shortcomings, I should like to put before the House what I consider to be a proposal which should be considered. It would meet many of the objections I have noted with regard both to this bill and to the previous bill, the original Bill C-71, which was stillborn. The bill before us looks as though it might be born, but it will require immediate surgery; it will require blood transfusions and it will certainly require a lot of attention. The proposal I am about to put forward is one which I believe should be carefully considered and one which will be placed before my constituents and all others who care to participate in a discussion of this nature. I hope it will be picked up by other members of our agricultural caucus and perhaps amended or changed to suit local requirements, and thereafter will become part of a Conservative plank in our agricultural platform in years to come.

What I am proposing is a cash assurance program. Everything seems to have a short form nowadays, and if hon. members wish, they can simplify that title by calling it CAP. I think this proposal will, in time, perhaps eliminate the need for several programs now in existence. For example, my proposal would incorporate the cash advance and crop insurance programs. The scheme could be expanded so that not only grain but cattle sales and sales of other agricultural products could be included, whether in western Canada or any other part of Canada. Although initially we included only grain sales in the three prairie provinces, my proposal could be worked out in such a way as to include other areas of Canada once the rough spots have been ironed out.

● (1540)

My proposal would also provide an annuity for those who may not qualify for any payment. This would overcome another objection. Any producer participating in the scheme whose income exceeded the maximum would, under the proposal of the minister, not qualify for any payment. My proposal would be this: rather than the 2 per cent suggested by the minister, the annual contribution by any producer initially would be 3 per cent at least; it could be even more. Since the government is willing to pay $2 for every $1 paid by the producer, I would adopt this principle so that the government pays double the producers' amount into the fund. Indeed, contributions could be increased. Taking into account the fact that at the present time the government is proposing a 2 per cent levy on all grain sales, and that any producer with crop insurance coverage pays a premium of 4 per cent to 5 per cent of his total grain receipts, this really amounts to 7 per cent in premium.

My suggestion would be that the producer should pay 3 per cent. Since the government contributes 6 per cent, this would mean a combined premium of 9 per cent of total grain sales. At the present time, crop insurance premiums are approximately 10 per cent of total coverage. Since the government pays half the premium, this means the producer is paying roughly 5 per cent. Thus, producers would have no hesitation in paying up to 5 per cent, or whatever percentage was required, so long as they received money when they required it, that they did not receive payments when their incomes were high, and that each individual producer was considered, on merit or amount of production, and they would have an annuity if not receiving other benefits.

A look at the table of rates of premium for crop insurance discloses that the premiums, as a percentage of total coverage, drop as the number of farmers participating increases. Starting from about 1971, the premiums were roughly 15 per cent of total coverage. They went down to 13 per cent, stayed there for a little while and then dropped to 12. For 1975-76, they are down to about 10 per cent of total coverage. This represents an involvement of 93,000 farmers from 46,000 in 1971.

My proposal would be universal, because every farmer would have to contribute. At the present time, some would back away from this because there is a maximum and they would have nothing to show for their contributions when they retire. All they are being asked to do is to put money into the fund, which is a bottomless well, but my proposal takes into account producers who might reap no benefit over their years of operation. I have set, arbitrarily, the maximum amount of assurance at $30,000. This could be adjusted and is a matter for further consideration, but for the sake of my argument this afternoon I have set it at $30,000. If production increases, this maximum could be increased to $35,000 or $40,000.

The averaging rate would be the average income of the previous five years. As soon as a producer has taken off his harvest, he can proceed in the same way as under the cash advance legislation, go to the fund and withdraw the whole of his five-year average, or 90 per cent of it or 80 per cent. The only restriction I impose is that the withdrawal should be in denominations of 10, to make the calculation easier. The advance could be repaid at the same rate as the percentage taken out. In other words, assuming a producer's five-year average was $10,000, if he withdrew only $5,000 the repayment on any sale he makes would be at the rate of 50 per cent. If he withdrew only $2,000, his repayment rate would be 20 per cent of total crop sales. If he made a $200 sale of grain, 20 per cent of the amount would be deducted, plus the 3 per cent premium or whatever rate was established as repayment for that particular year.

This proposal would provide farmers, or producers, with the necessary cash, which is why I call it a cash assurance program. A farmer who knows his production for a particular year, and therefore his cash requirements—which can be calculated very readily—can go to the fund at a time when he needs money, rather than wait a year before his receipts can be calculated, and then perhaps receive a payment the following year when he may have a bumper crop or sales have boomed. Under my proposal for cash assurance, the producers could have cash when they required it.

During periods of low income there would be a forgiveness provision. This would be calculated the following year, since one would not know one's total receipts for the year beforehand. The amount of forgiveness would be at the rate of 9 per cent. We have the 3 per cent that the farmer contributes during the year if his cash receipts are low, and we have the 6 per cent that the government is prepared to contribute, and this is the two for one basis that the government is proposing. In other words, if a farmer's five-year average was $10,000, the forgiveness for that year would be at the rate of 9 per cent, or $900. If sales were $9,100 for that particular year, there would be a $900 payment made to him. If, for example, his sales were $9,800 and his five-year average was $10,000, his forgiveness for that one year would only be $200. In other words, this would not be a flat, across the board payment, but would depend upon the amount of the sales in the particular year.

● (1550)

Let me give another example. If the five-year average was $10,000, and the producer's sales were only $5,000, the amount required to bring his income up to the five-year average would be another $5,000, so his forgiveness would be $900. Therefore, the amount that would be carried forward would be in the form of a loan in the amount of $4,100.

This fund would be a loan scheme and an assistance scheme at the same time. It would also include annuity features to the benefit of those farmers making contribu-

tions but not benefitting. For example, the $4,100 would be carried forward following the end of the crop year, with a further six-month period of grace within which it could be repaid. If the amount had not been fully repaid, then interest charges would be added at the rate of perhaps 10 per cent, or perhaps the rate of interest for the average bond or the rate at which the government is borrowing its money.

All we will be doing is setting up a fund from which the farmers, the producers, can get money when they need it. In this way, they would not be taking out money each year and investing it in some other area, perhaps making more money in that way, while the government is searching out other sources of money supply. The producers would have a responsibility under this fund. They would have to pay a penalty of perhaps 10 per cent in respect of any unpaid advances. If, at the end of the year, a producer had quit farming or had retired without repaying the entire amount of the advances, an additional penalty or charge of 1.5 per cent per month could be added. In other words, there would be this inducement to the producer to make payments into the fund. This would be particularly true if a producer left farming and was no longer making sales from which advances could be taken, because there would be this penalty or charge of 1.5 per cent per month on the unpaid balance. These charges could be made until the entire amount of the advance had been repaid.

The scheme would also contain a provision for complete repayment in one lump sum. For example, if a producer had $4,100 lying around, not being used, he could pay off the entire advance without having the repayment related directly to 20 per cent or 50 per cent of his sales. Let us assume there are some people who have incomes which average over $30,000, or whatever the amount might be per year. They would not be eligible for advance payments or loans from this fund. After a five-year period during which a producer had not received an advance or a loan, it would become obvious that he was not a burden on the fund: he would be making contributions all the time, and in this event his contributions would automatically be reduced.

Perhaps after five years without an advance being made to the producer, his premium rate could drop to 15 per cent or perhaps 12 per cent. The producer would continue to pay the premium, but this adjustment or refund could be made by way of a cheque. After five years, or perhaps eight years, the premium rate could drop from 15 per cent to perhaps 12 per cent, and so on. In other words, the premium rate would continue to go down. I think all crop insurance schemes have a premium reduction feature built into them, and perhaps the people who operate those schemes could be of assistance to us in this regard. We could take advantage of their knowledge and experience as to the best way of repaying these benefits to the contributor. Obviously there will be some producers who will not draw benefits or take advantage of the scheme because their annual income is better than the five-year average. Perhaps they will just prefer not to take the cash assurance payment. There will be some people whose income will be lower than the average but they will manage to get by without the advances. These producers should be granted something similar to a bond status. Since the plan would be universal, all producers would be making contributions. This could be extended to apply to all farm sales, including grain, potatoes, cattle, fruits and other agricultural produce.

[Mr. Korchinski.]

It goes without saying that all producer sales must be recorded in a production book, including farm to farm sales. It would be absolutely essential to have a complete accounting. Since there would be many who would not take advantage of the benefits, there would be a build-up of funds. Many of these people might feel they were getting nothing for the contributions they were making to the fund. These people, under this scheme, would be making contributions on which interest would be paid. This would be an advantage to those who left the money in. Upon retirement, or perhaps after ten years of contribution, these people would be able to withdraw their equity in the fund. This would obviously be an incentive even to those who had never taken advantage of the scheme.

In the initial stages, everyone would be asked to make contributions in order to build up the fund. I am sure every farmer would be prepared to make such contributions in order to assist his fellow farmer, knowing full well that there may come a time when he will need assistance. This is just like the situation with crop insurance; a farmer may insure for year after year and never be required to draw on the plan. Perhaps he drops his crop insurance, and the next year experiences a crop failure. I am sure producers would have no hesitation in making contributions to such a scheme. This would be particularly true if they knew their funds were increasing in value through the payment of interest. They would have the advantage of being able to withdraw their equity after a period of time, increased by the amount of interest paid perhaps based on the average government bond rate.

I suggest my plan takes into account the complaints we often hear from people who say they derive no benefit from such schemes. In summary, let me recite some of the advantages of this scheme. We could eliminate the need for crop insurance and have participation by everyone. There has always been hesitancy on the part of some to participate in crop insurance plans. I am sure there would not be the same hesitancy on the part of producers to contribute to this type of plan.

● (1600)

Second, there would be universal participation, which could eliminate the need for crop insurance and for cash advances because cash advances and the crop insurance idea would be incorporated. Third, the plan could be expanded to include grains, cattle and other products, and all farmers in Canada. Fourth, it would provide at least an average income to each farmer every year: in other words, there would be stability of income. It would be for the producer to determine whether or not to participate if his average was below the five-year average; the onus would be on him. This would eliminate, at a time when disaster strikes, the need for petitions to be submitted to the government and the government finding itself in the awkward position of treating these people as if they were an underprivileged group asking for a hand-out.

Fifth, there would be an incentive to produce and carry on good farming economics, because as sales increase even over the five-year average, so does the average income increase. There would be an incentive for the farmer to

produce over and above his five-year average and not wait for a forgiveness, because if his sales are over the five-year average, his next year's average and eligibility would increase. Sixth, no premiums would be collected during low-income periods. I am suggesting that there be this forgiveness amount which I have already calculated. At a time when money is needed, the producer should not be asked to pay premiums. The difference is that under the proposal of the government, at a time when there is most need, an additional half per cent is added. That is an absolutely backward step.

Seventh—and this is a very important point—each producer would know precisely how to calculate his five-year average using total sales during this period, including farm to farm sales. Even to this date, despite all the studies carried out; most members of the House still are unable to figure out the formula. All that would need to be done under this proposal would be to tabulate the total sales over the past five years and work out the average. This would make it possible for people to learn what they might expect. Eighth, if no assurance payment is taken, premiums would be reduced. In other words, there would be an incentive not to take any money, because the premiums would be lower. Ninth, it does not pay producers to increase revenue during periods of high income and then have to repay the money in the form of income tax, at higher income tax rates. Producers would have a forgiveness provision and assured income during depressed periods, all economic factors considered.

What will happen under the government's proposal is that if the producers have a bad year, according to the way the minister has figured it out now, the calculation will be made a year later, and if in the meantime they make large sales and received payments, all the money will go back to the government in the form of income tax at higher rates. In my proposal there is an attempt to avoid this. Tenth, to those who do not benefit directly, this proposal assures a return on equity while the producers would be involved in a plan which would help others in need in the industry.

In other words, under the proposal I am putting forward if, for one reason or another, because of regulations, the fact that they do not wish to participate or because their sales continually increase because of good management, good luck or what have you, they do not need to take any funds out, then they should be paid not only their equity because it was used to finance others, but should be paid at the bond rate or at some other figure that would be reasonably close to the bond rate for that period.

I have set forward what I believe is a proposal which takes into account the majority of the objections heard by members of the committee when they travelled to western Canada. I think the plan is considerably simplified. It eliminates the need for two other different schemes. It takes into account the objections of those who felt there was no advantage to them. I think that this proposal, if it is not acceptable to the government at this time, should be placed on the record for the benefit of those who may wish to consider it. There may be those who would wish to amend it. Unlike the minister, I would be only too glad to receive suggestions concerning improvements.

I believe I have covered the majority of the objections which have been presented to date. I believe there is a need for some sort of cash assurance program, but I certainly do not believe it should be the type of proposal the minister has put forward. The proposal of the minister is confusing and at times would place the farmer in a dilemma. It will not meet the requirements of the western producer. I hope my proposal will be given consideration. I hope that in the months to come the farm groups will consider it, and prior to the next election we may put it forward in a polished and refined form if the minister does not accept these changes now.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to take a few moments of the time of the House to register the reason I cannot support this bill. The bill might have been of some value had it been oriented differently and had got to the nub of the problem, which is how to stabilize the individual farmer's income at a time when he needs it. This stabilization bill does not recognize that the western grain industry is made up of some 200,000 farmers or managers. It treats them as if they were one incorporated whole.

This bill would waste a great deal of money that could be used in a better way. This type of bill would be more suitable if the industry were dominated by two or three large corporations or production units, as is the case in respect of the automobile industry. However, this is not the case. The agricultural industry is made of many individual units. I think this is the weakest part of the bill. It will not meet the needs of the producers for a very long time and certainly will be subject to change.

● (1610)

Furthermore, taking in the six main grains and oilseeds upon which the pay-out is based and the premiums deducted really assumes that all farmers in the grain growing areas of the prairies have the same farming practices. Of course, this is not so. There are very large farms, but with a great deal of difference in productivity one from the other, this diversification, in the long run, makes for a very good agricultural industry, which is much better than any of the monolithic structures such as those of the U.S.S.R. The bill does not recognize the great difference between the individual farmers concerned.

As one who comes from a parkland area, I must say that the mechanics of the pay-out will tend to discriminate against those who farm and live in the parkland areas of the various provinces. The reason for this is quite obvious. The production of wheat there is not as great, compared with the production of coarse grains, barley, oats and oilseeds, as it is in southern Saskatchewan, parts of southern Manitoba, and Alberta. Yet the condition which will trigger the pay-out will largely be set by the situation with regard to wheat, because wheat accounts for something like 70 per cent of the total grains income covered by this bill. Because the plan makes no allowance for the fact that while wheat is the dominant grain involved, individual producers of oilseeds and coarse grains, particularly in the parkland areas, could find their incomes reduced, but if the wheat income remained high, there would be no pay-out whatsoever.

This stabilization bill is an attempt to correlate and consolidate the many different plans which have been introduced in the last 25 or 30 years to provide a measure

of stabilization to the grain industry. For instance, PFAA dates back to 1939 or 1940. I think, on the whole, that program was reasonably successful for its time, and I still think that elements of PFAA should have remained on the legislative books, because I found it was especially effective in helping very small producers. While many of these small producers may, in a sense, be social problems, they are very necessary in adding to the sum total of farming; but they are not likely to take advantage of this program. PFAA did help the very small producer who never got around to buying crop insurance and who was not a good enough manager to take care of things as well as he should. He found that PFAA was very useful to him.

Acreage payments were quite effective in many ways. They did not come automatically every year; therefore, they did not have built into them the system which the stabilization bill will have—an increase in the saleability of land. In other words, the capital cost will eventually reflect the amount of money paid out under this plan. The assistance on storage of grain which costs, relatively, a lot of money and which it was alleged made the grain handling companies storers of grain rather than sellers, contributed a good deal of money which presumably assisted farmers. It cost the federal treasury a fair amount of money. Presumably, some or most of it eventually benefited farmers because it at least took the grain off their hands; and as most grain handling companies belonged to the farmers, most farmers should have benefited in the long run.

This grain stabilization program will not be a very effective method of providing much money where it is needed. According to some research on the effect this bill would have had on the plan had it been in effect over the last 20 years, it would have given to the farm industry an average of some $50 million per year, whereas under various programs, various governments have already paid out an average of over $70 million per year. So grain stabilization, which is supposed to improve all the earlier plans, will in fact contribute less money than was paid out under them.

Of course, the dollar value in years to come will be greater, but that will only be because of the inflation factor. In addition, this $50 million payment assumes that everyone is in the plan. There are many things wrong with the plan and a large number of producers will not find it in their interests to participate in it. Quite likely it will be much less than the equivalent of the $50 million which I mentioned. It is more likely that about one-half to two-thirds of that amount will be paid out. Unless and until a stabilization plan is introduced which will deal with the problems of individual producers and will allow them to draw on the program when they need to, that is, when their economic conditions are such as to warrant pay-outs, it will be of no great value. In the future perhaps this plan could be expanded for the individual producer in some manner; only then will it become a useful tool to aid producers in distress.

During the early 1950s, when atomic bombs were being made, we heard a great deal from the Americans about more bang for the buck, which meant they wanted to make atomic bombs in the cheapest way possible. This type of program will mean a lot of bucks for a small bang, because it does not single out the needs of the individual producer and separate him from the mass. For those producers who want to opt out, the government is obviously not making it very easy. I am told they will have to write to the Canada Grains Commission in Winnipeg. At a meeting in Regina a week or two ago, that is what an official from the minister's department said. However, there will be no soliciting and no reminding individuals that if they wish to opt out, they have the right, and they will not be told who they should contact. This is typical of the sleight of hand of government departments and some governments.

Each producer will have to make up his own mind whether he should stay in the plan. Frankly, for the older producer who may be retiring in another ten years or so, there does not seem to be much advantage in staying in the plan. There is no provision for recovery of premiums at death, or retirement from farming, although I believe there would be a benefit for two years after ceasing farming, or a producer could sell. However, it will be a very nebulous thing to sell his land because of the relatively small amount of value it will carry. If there were a better provision for recovery of premiums at death or upon retirement, this bill might be more acceptable. In particular, I wish to direct the attention of the House to the fact that producers must make their own decisions.

The minister has failed, in this legislation, to provide a reasonable solution to the problem, because he has insisted that a global plan is the only plan which can be introduced, when in fact it must be related to the needs of the individual farmer before it will reach its greatest value to the grain industry. We have crop insurance which is based on the individual. Why not introduce a plan that would allow the individual farmer to capitalize on the program and use it to best advantage when he needs it, rather than give him a large amount of money? That might often fall in the best year he ever had, and then he would have to give it back to the government through income tax. I would predict that this plan, tied to the global plan as opposed to the individual plan, will return, through income tax, a large portion of the money paid out. I think we must consider, first of all, what is best for the individual and what it will take to bring him through a tough economic period.

● (1620)

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the bill before us for third reading is one that we have dealt with in this House, off and on, for the past six years. As a new member in 1968, it was one of the first pieces of legislation that I dealt with, and I believe in 1969 or 1970 we had first reading of the old stabilization bill. We all know the history of that bill, Mr. Speaker. It was opposed by every farm organization, wheat pool, the Federation of Agriculture and the Farmers' Union, as well as by this party and the Conservative party. As a result, the minister in charge of the Wheat Board was forced to withdraw it. Now we have the daughter of that bill, in different form. I think this one is better than the old bill because it recognizes a few of the deficiencies in the old bill, but still there are some things which need to be improved, and in this third reading debate I want to point out a couple of them.

For years this party has said that in this country we need a universal farm stabilization bill to cover all commodities. For years, too, the farmer has faced the problem

of fluctuating income. He never knows what he will receive for his crop when he plants in the spring, or what he will receive for a hog when it matures. I think it is our responsibility, as parliamentarians, along with provincial legislators, to devise a scheme whereby the ups and downs in the market pattern are smoothed out for the producer, so that he will know at the beginning of the year what income he is likely to receive. From growing up on a farm, and through my experience in representing a rural riding, I know the farmer would produce a lot more food than he is at present if he could be assured of the price he would receive.

Mr. Speaker, I was shocked by a comment made by the Minister of Agriculture (Mr. Whelan) today, to the effect that there is too much dairy production in this country, too much skimmed milk, and that the world cannot use any more. If we have the capacity to produce, it should be an objective of the Department of External Affairs and our foreign aid programs to encourage farmers to produce as much food as possible can, to help feed the hungry of the world as well as a lot of people in this country. A few months ago a report on poor children pointed out that many in this country are not receiving adequate nutrition.

When we talk about the stabilization of farm income in this country, we should also talk about a food policy. I am very concerned that in 10 or 15 years, unless we start a national plan to maximize production, build storage capacity and a delivery system, we may face a shortage of food in this country. The Minister of Agriculture has said that he does not like to see eggs go rotten, or a surplus of powdered milk, but we could not deliver them to Bangladesh or other countries which need them. That is a sad commentary on a society that can produce tons and tons of surplus food but cannot deliver it to areas of the world where people are dying of malnutrition, and cannot even deliver it to the children of this country who are suffering from malnutrition because there is not adequate milk or food in the school system.

We talk about stabilization of farm income in this country and say it is a worthy objective, but the only way we will get it is through a program that will guarantee the farmer a stable price for his produce. There are many examples of farmers who would like to produce hogs, for example, or to expand or diversify, but they dare not because prices are depressed or because of the uncertainty of the market. They cannot afford to make a huge initial capital investment under these circumstances. Your Honour is aware of many of these problems, coming, as you do, from a riding in the centre of the huge farm belt in southwestern Ontario.

As parliamentarians, we should be able to provide farmers with the same security as other people in this country. The worker has the trade unions to bargain for him, he has unemployment insurance plans, and so on. The business community has all kinds of guarantees. The Conservative party gets upset when the Prime Minister (Mr. Trudeau) makes a revelation that any idiot knows is true, that the free market no longer exists. We all know that there are many kinds of support for the business community. There ought to be adequate support for the farm population as well. This party has spoken of farm income stabilization, marketing boards, maximizing production, more adequate world aid programs, food banks, and so on. I believe this bill takes only a small step in that direction. There are many principles that should be incorporated in an adequate farm income stabilization program.

Since this Minister of Agriculture took office there has been no sign of a long-term agricultural policy for the country. There have been only ad hoc measures. There has been no concerted effort, and no indication of the direction the minister intends to take us. We get bits and pieces of various programs, but no long-term program. When the bill was introduced, the minister in charge of the Wheat Board called it a significant step. In a paper issued by his office in September, 1974, he said he had four general objectives for the plan. I should like to go over them and point out some of the deficiencies in the bill.

The minister said that he wanted to protect grain producers in designated areas from uncertainty and variation of return due to temporary market fluctuations. Such an objective is honourable. The minister is talking about this plan as an income insurance plan. He is going to average cash flow for farmers for any particular year over the previous five years. It is an honourable objective, but I am afraid the plan does not live up to it. The way payments are made out of the plan can affect a lot of farmers in this country. The plan is based on aggregate income. This means that if the aggregate income applying to growers of the six grades of grain falls below the previous five-year average, there will be a pay-out to all participants in the plan. That sounds good. But what is to happen to rapeseed growers if the bottom falls out of the rapeseed market? I suggest that if the bottom of the rapeseed market falls out, even though the price of wheat may go up, or the price of the other five commodities remains stable or goes up, the rapeseed producer will not receive a pay-out even though his income may decline drastically. That will be the effect of applying the average. You take into account the price of all grains. Wheat is the dominant grain, and the price of wheat may go up or down. But the rapeseed market may decline and the rapeseed grower will not get a pay-out from the plan. That is unfair.

● (1630)

The plan lacks flexibility. Farmers in Yorkton-Melville whose income declines because they have produced a lower grade of wheat, or because the market price for their wheat has gone down, will not get compensation if the average price for the other grains remains high. Of course, the converse is also true. Suppose world rapeseed prices are buoyant but wheat prices are coming down. If the average price, taken over the previous five years, of all grains produced under the plan falls below the five-year average, there will be a pay-out not just to wheat producers but to producers of other commodities including producers of rapeseed. That shows the type of logic behind the plan.

Let me draw an analogy which may help to explain some of the serious questions concerning this plan. Let us suppose unemployment insurance worked the same way. We would look at the total income of all working people of this country and, after taking into account increases in the cost of living and other factors such as the inflation rate, if it were found that the income of workers in Canada had fallen below that of the previous five-year average, the unemployment insurance fund would make payments. It

would not make it just to the unemployed, but to all Canadian workers, including high school teachers, clerks, factory workers, and so on. The payment would be made to all, no matter if they were employed or unemployed. It would be made even to members of parliament if they were to pay unemployment insurance, which they do not. But the point is this: all those who had contributed to the plan would receive a payment from the plan. Payment would be based on the amount paid in.

Another section of the bill says that payments from the stabilization plan are to be proportionate to the amount you contribute. As I say, if this were true for unemployment insurance, the worker who had been unemployed for a good part of the year would receive little help, because his contributions were small, whereas the man who had been employed all year would receive a large pay-out from the fund. Clearly, this bill is inconsistent with other stabilization plans enacted in this country.

What would happen if the medicare scheme were applied on the same basis? Take the man who needs expensive, open-heart surgery and runs up huge medical bills. At the end of the year he would only be partially compensated by the plan because his payments in had been low, whereas, say the hon. member for Regina-Lake Centre (Mr. Benjamin) who goes into hospital for treatment of a hanging toenail—

Mr. Benjamin: Ten hanging toenails.

Mr. Nystrom: —or ten hanging toenails, as the hon. member says, he can get his condition corrected and the payment out under the plan would more than cover it, while it would not nearly cover open-heart surgery. That is the type of plan being foisted on the farmers of the prairie region. Or, suppose automobile insurance was applied that way. I have not had an accident for a long time, fortunately, but let us say I receive compensation and there is a pay-out from the automobile insurance plan in Saskatchewan. I get it from somebody, say. But the driver who may have written off his car, been involved in court cases and had to compensate somebody else for bodily injury, would receive only a small pittance as a pay-out from the automobile insurance plan of Saskatchewan, if that plan worked as this plan will. That is the philosophy behind this plan.

As I said previously, the bottom may fall out of the rapeseed market and the income of rapeseed growers of my riding may fall. But at the same time the price of the other grains mentioned in the bill may stay high. Because the plan considers the aggregate price of all six grains, rapeseed producers will not get a pay-out even though they have suffered. That is not fair. What would happen if we operated medicare, unemployment insurance, automobile insurance and the educational system in accordance with the philosophy contained in this bill?

Incomes across the prairies fluctuate. Your are talking not just about one province; you are talking about Manitoba, Saskatchewan, Alberta and the Peace River country of British Columbia. You will see many fluctuations in types of crops and soil and the application of various cost factors. In one part of the prairies you may see bumper crops and in another part poor crops. The people of southwestern Saskatchewan may enjoy bumper crops and high prices, but there could be a crop failure in some other area and the bottom may fall out of the price for the grains grown there. It would happen, under this plan, that not only those losing money would get a pay-out; those raking it in would also get it. It is the plan's lack of flexibility to which I object.

I submit that with some additional cost—and perhaps a few administrative headaches—the plan could be made flexible. It could be one which all farmers would be happy to join. This would encourage farmers to produce food not only for this country but for all the people of the world. But this plan does not work that way. Under it, payments out will be based on the amount of money you have put in.

Some members of the Conservative party are worried about our Prime Minister's gallop toward socialism. My goodness, if this is the type of philosophy the government is putting forward, it is anything but progressive. It is not the philosophy under which we send our kids to school. It is not the amount of money you can afford to put into the school system which determines if your kids are to be sent to school. I have just returned from a visit to South America and learned that the money in your pocket dictates the quality of medical attention you receive. Really, that is the philosophy of this bill. It should not be. Pay-out should not be based on what the farmer has contributed to the plan. If a farmer is experiencing difficulty, he should receive a pay-out from the plan in the same way as an unemployed worker receives unemployment insurance. This plan ought to operate as other so-called universal plans in this country operate. A plan like that would be progressive and would help this country's farmers.

On September 4 the minister said that the second objective of the stabilization plan would be to ensure that growth and development of the grain sector was consistent with the basic market forces and that the grain sector developed in a manner consistent with competitive advantage in world open markets. There the minister was talking about open market forces. He was talking about things which are really not relevant to the need for food production today. He was talking about the laissez-faire system, the market system of the world—

Mr. Benjamin: Which the Prime Minister (Mr. Trudeau) says does not work.

Mr. Nystrom: —which the Prime Minister, as the hon. member for Regina-Lake Centre (Mr. Benjamin) says is not working. It has not worked for a long time. Any who do not know this are either naive, or a much more descriptive adjective could be applied to them. This is a time when we should be talking about an international grains agreement, when the countries of the world should establish long-term agreements regarding world food banks, providing food aid and working out a food distribution system. Yet this government has sponsored many plans in this country which militate against that type of philosophy. I need only mention the two-price system for wheat. I do not think the minister has to be too worried about this being a plan that will be consistent with world open market forces.

● (1640)

The minister says, in the same paper, that the third objective is that the plan will be complementary to the development of the livestock industry. Again, I do not see the relevancy of this. If the parliamentary secretary

speaks, perhaps he could comment on this matter as well. We see in this country the failure of a lot of people who produce livestock. When times are good, they get together and have a marketing board for their commodity so that there can be more stable production of livestock in this country. The last objective he comments on is that the plan will be based on a set of principles consistent with general objectives for agriculture which could be applied to other commodity groups. As I have already stated, I do not see that general plan coming from across the way. I do not see the minister in charge of the Wheat Board, or the Minister of Agriculture coming up with a general set of objectives as to what Canadian agriculture should be involved in. What are their plans?

I have talked about some things I would like to see in the world in the eighties and nineties, the world before us, in terms of maximization of food production, a world delivery system and a world food bank. We in this country can produce food. We can work with countries that have money in order to produce food to better the human condition of us all. I would like to know the objectives of this government. How does this plan fit into the long-term objectives of the Canadian government?

Another concern about the plan is that it leaves out of the computation of the costs of production a number of items that are very important. I notice it leaves out the interest a farmer must pay on his machinery, equipment and buildings that are necessary for the production of grain. As anyone who has visited a grain farm knows, this is a major cost of producing grain. It leaves out the 2 per cent levy, the maximum of $500 the farmer will pay to help finance the plan we are dealing with today. It also leaves out depreciation on machinery, equipment and buildings. These are very important factors in producing a bushel of grain, cultivating an acre so that it is ready to produce grain.

I received in my office this morning confirmation of what we think is an important factor left out of the formulation we are dealing with today. I received from the minister of agriculture of my province a letter containing the latest statistics in Saskatchewan. It sets out how much it is expected to cost to produce a bushel of grain. I would like to spend a few minutes looking at the actual cost of producing a bushel of grain in Saskatchewan. These statistics were compiled by the department of agriculture in Saskatchewan. This is done on an annual basis from the sources they have, such as farm organizations, Statistics Canada and other reliable sources. This is the type of work we should be looking at.

According to the statistics, the average cost of producing grain on an acre of land in Saskatchewan, in 1975, will be $57.10. I want to deal with the specific components of that. It is important that it be put on the record. The cost summary per acre of grain is as follows. Cash costs and seed, and most of these items are specifically included in the cost of production, will be a factor in the bill. There are others I will deal with later that are not. The average cost of building repairs per acre of land is 45 cents. This includes the grain bins and the other buildings a farmer must maintain. With regard to machinery and equipment, fuel and oil costs $1.25 per acre. As everyone knows, the price of fuel in this country will escalate rather than go down in the years to come. Repairs, tools and hardware cost an average $3.65 per acre of grain.

As the hon. member for Regina-Lake Centre pointed out, we hear every week, especially in the spring and during harvest, about farmers having difficulty getting machinery repaired by dealers. Parts must be ordered from great distances. This adds to the farmer's cost of putting in a crop, having summer fallow or taking off the crop at the end of the year. Custom work hired averages 55 cents. Crop expenses, less seed, averages $3.85 per acre. This includes such things as sprays and other necessities. The cost of purchased seed is 90 cents per acre. Home grown seed is $2.50 per acre. Taxes, landlord costs and overheads average $2.95 per acre. When you total the cash costs and seed, you get $16.10 per grain acre.

We then go to depreciation. That is not a part of the formula in this bill for calculating production costs. In Saskatchewan, in 1975, depreciation of buildings, and improvements, was 80 cents per acre on an average farm. Depreciation on machinery and equipment is $6.30 per acre. This adds up to $7.10 depreciation per grain acre in Saskatchewan. I made a calculation. Depreciation on those items alone, which are legitimate production items, works out to 12 per cent of the total cost per grain acre. That 12 per cent is not included in the production costs as defined by the minister in charge of the Wheat Board.

I move to the next item that the farmer has to pay—interest. Interest on land, in 1975, was $14.40 per grain acre in Saskatchewan. It is legitimately argued that this should not be a part of the cost of production. I accept the argument made by the minister in charge of the Wheat Board, even though I know some people do not. Interest on buildings, and improvements, in 1975, is 70 cents per grain acre. That is a legitimate cost of production to be calculated under this act. Interest on machinery and equipment averages $3.80 per grain acre. That, too, is part of the legitimate cost of production. Total interest, therefore, on buildings, and improvements, machinery and equipment is $4.50 per grain acre. That is 8 per cent of the total cost of producing an acre of grain. That makes 20 per cent of the total cost per grain acre that is not included in the cost of production. It is a very relevant factor when calculating the pay-out to the producer if there is to be a pay-out from the plan. It is important in determining that a pay-out will be triggered. Hired labour averages 70 cents per grain acre, and unpaid family labour is 60 cents. An operator costs $13.70. The total labour cost is $15 per grain acre. The total cost to produce an acre of grain in Saskatchewan is $57.10, 20 per cent of which is not covered under this bill.

There is another factor that was not a factor in Saskatchewan in 1975. I refer to the 2 per cent levy that will be charged to producers when this bill comes into effect. Therefore, an additional 1 per cent or 2 per cent must be added to the cost per grain acre. This was not included in the cost of production figures. It can be safely said that 21, 22 or 23 per cent of the cost to the farmer for producing an acre of grain will not be included in the computation under the bill we are dealing with today. If the bill included some of these costs, it would be more acceptable to grain farmers in western Canada as well as to opposition members. I am sure that privately it would be more acceptable to many members on the government side. It would certainly expe-

dite passage of the legislation through the House of Commons so that it could become law in this country.

● (1650)

I could go on at length talking about why depreciation of these items and interest on them should be calculated and should be part of this bill, but I think hon. members get the general idea from the comments I have made and the statistics I have read into the record. There are many other things which concern me and farmers in my area about the bill, but I am hopeful that the minister will take a serious look at the arguments which we in the opposition and members of farm organizations have put up and will not exhibit a stubborn streak when analysing the arguments we have made. Because we in the opposition, I assure you, Mr. Speaker, are speaking in the best interests of the farmers. We are not being political. We are not being partisan. We are being nice guys; we are doing our work and we are doing it hard: we are putting forward constructive criticisms.

The minister, with a nice smile, is acknowledging that we always do this. I want to say to the minister that I hope he will do that in a sincere way, because if he does not, this bill will fail and it will be another black mark upon the conscience of the government vis-à-vis the farmers. I have said for so long that the farmer is the greatest gambler in the world. He gambles on the weather; he gambles on world grain prices. But why in the devil should he gamble on the Liberal party? They can change that if they would, to a certain small degree, take into account the suggestions which we and the farm organizations have made. If this bill does not work as it should, they should not hesitate to come back and put down amendments. If they do not do that, the act will not work; and if they do not have the co-operation of the farmers, the legislation will not work.

The objective must be to stabilize farm income at an adequate return upon which a farmer and his family can live and enjoy all the good things in life that the average Canadian has had for a long time without worrying about his income. At the same time, we should encourage the farmer to produce more food so that the people of this country and the people of the world can be fed, and so the Secretary of State for External Affairs (Mr. MacEachen) and the Minister of Industry, Trade and Commerce (Mr. Jamieson) and others are able to devise a plan whereby we can deliver that food, deliver the goodness we can produce in this country into the mouths, the bellies of those who need it, from one corner of this world to the other. If we do that, we as Canadians will have made one small contribution to the betterment of mankind.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vaudreuil (Mr. Herbert)—Social security—Family allowance—Reason for failure to follow payment method adopted in France; the hon. member for Egmont (Mr. MacDonald)—Prince Edward Island ferry service—Request for report of labour-management committee; the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Penitentiaries—Millhaven—Request for report on gasing and beating of inmates.

[Mr. Nystrom.]

GOVERNMENT ORDERS

[*English*]

WESTERN GRAINS STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the third time and do pass.

Mr. Gordon Towers (Red Deer): Mr. Speaker, in rising to speak on this bill for a few moments on behalf of the wheat growers I represent in central Alberta, I want the minister to recognize that they are not overenthusiastic about this bill. In fact, I think they are as unhappy as I am about this legislation because of the fact that the minister did have an opportunity and plenty of time in which to bring in legislation which would have been of benefit to the prairie grain producer. Perhaps this bill will go down in history as "the lost opportunity" of the minister in charge of the Canadian Wheat Board (Mr. Lang). Surely the hon. gentleman has had enough association with the grain producers, along with his hon. friends from Assiniboia (Mr. Goodale) and Battleford-Kindersley (Mr. McIsaac), to have brought in legislation which could really have served a useful purpose.

I cannot understand why the minister is not prepared to listen to suggestions or to make changes which could be of benefit and serve the producers. After all, when this legislation is put in place, as I presume it will be with the support of the Liberal party, it is going to be very difficult to alter it in any way. While it is true the producers are vitally concerned about the effects of this legislation, we must also recognize that every taxpayer in Canada is interested in it, because for every dollar the producer pays, the taxpayers of Canada are putting up two dollars. I am sure that if it were not for this carrot the minister is dangling before the eyes of the grain producers, the bill would be entirely unacceptable to them.

At the present time, when producers are receiving a fair price for their investment, the minister in charge of the Wheat Board comes along and says, "We shall take away a portion of that money and put it away for you." In other words, he is acting just like a big daddy does toward his sons or daughters, saying, in other words "We do not trust you with your own money; we shall take care of it for you."

Let me assure hon. members that these people who have used their initiative and their ability to work long and hard hours, the people who have the resilience and the dedication to continue to produce crops in western Canada, have far more to offer than many of those who have been elected to the House of Commons.

I am very sorry at this time to be part of a system which is only doing a small percentage of that which is our responsibility. I feel this bill is only going a very small way toward doing what is required for the benefit of all the people of Canada, and especially the grain producers. It makes me sad when my constituents feel, because I have been elected to the House of Commons, that I am a member of the government rather than a member of the opposition, particularly when the minister will not listen to the proposals we make in an effort to make the legislation run smoothly for the benefit of everyone.

I have a comment here from a small paper in one of the finest wheat growing areas in Western Canada, Three Hills. It is as good as Saskatchewan; I do not say it is better, but it is just as good. Some of the farmers at this meeting wanted to know how the government's contribution to the program was to be raised. They also wanted to know what the chances were for a plebiscite. Other information sought included an explanation of the way in which costs of production would be calculated, and whether funds would be reimbursed when a farmer retired. These are questions which are of the utmost importance to these producers. If some type of explanation had been provided by the minister in answer to these questions, the program would have been far more acceptable. It is apparent from talking to farmers throughout the constituency that they are not greatly interested in this bill. If you want to talk about the subject, you have to raise it yourself. They are not concerned about it because they know that it is not going to do the job for them.

● (1700)

Had the minister communicated with the Minister of Agriculture (Mr. Whelan) to a greater extent and tied Bill C-41 with the crop insurance program, I am sure the producers would have taken a careful look at it. Let me impress upon you, Mr. Speaker, that the crop insurance commissions in western Canada are vitally concerned at this point in time about this bill and what it will do to their program. The Minister of Agriculture, both in the House and in committee, expressed with glee the fact that there was increasing participation on the part of the producers of western Canada. Now that the austerity program of the government has been implemented, it has been suggested that cutbacks will be made in the government's support of the crop insurance program. Thus, I believe the crop insurance commissions should be concerned that this will be a deterrent to the participation of producers in the crop insurance program. There may be hard times ahead for the crop insurance commissions and for those who rely on crop insurance, and this will not be in the best interests of western Canadian producers.

Another point that should be made is that if grain prices drop over a period of six, seven or eight years, the pay-out at the end will be very minimal. After an extended period of low grain prices there will be no help of any substantial nature for the producers. I should like to put on record what one farmer said at a meeting. He was critical about the five-year average basis for triggering payments and suggested that it would negate any substantial benefits from the program if grain markets were depressed for a long period. He also was concerned that the program might cause a degree of instability in that farmers might react by abandoning their own methods of income stabilization.

I can understand that, Mr. Speaker, in view of the complexity of this bill. Both the hon. member for Qu'Apelle-Moose Mountain (Mr. Hamilton) and the hon. member for Moose Jaw (Mr. Neil) expressed the fear of farmers in their areas that they might feel their incomes will be protected whereas in fact they will not. As both hon. members pointed out, if the scheme were operated on an individual basis, each producer would know exactly what he could expect from the program. At present, he has no way of knowing. If producers think they are being protected and they find out they are not, the situation for many producers of grain in western Canada will be chaotic.

This is why I feel the minister has short-changed the producers of this country. For example, certain regions of the country may not have had a crop for a number of successive years and the farmers' incomes may have dwindled due to circumstances beyond their control, say climatic conditions or other reasons. They would have received no income from their production. Under the present program no provision is made for such producers. They will not be provided with that which will keep them in business.

The problems of the western grain producers are becoming ever larger and more complex, and adequate programs of one form or another must be put in place for them. They should, on an individual basis, be able to put money away in the good years, tax free, and withdraw it during periods of low production, and at lower cost. There are so many ways that the program could have been made to work and be of benefit to the producers. Nevertheless, the minister is adamant: he is not going to change any provisions in the legislation. He has been very difficult to deal with all the way through passage of this bill, whether at second reading stage, in committee or at report stage. In fact, in committee he changed his position. He first said that crop insurance payments would not be included in the agreements, but had to reverse himself on advice from his departmental officials.

We are dealing not only with legislation that will not do the job it should, but with legislation that will supersede existing legislation and will hinder the enactment of legislation that could be put in place in years ahead. It makes one very sad to realize that the grain growers of western Canada are being shortchanged, which is what is happening at the present time.

I hope the hon. member for Assiniboia, when he rises to speak on this bill, as I presume he will, will try to prove why the government is unwilling to bring in a program that will support crop insurance. Had the Minister of Agriculture accepted our suggestions when he brought in the crop insurance bill, we would not need to pass this legislation today. It is because of this lack of imagination on the part of the Minister of Agriculture that we are dealing with this stabilization bill. I go on record, Mr. Speaker, as saying that it is also because of the lack of

imagination on the part of the minister in charge of the Wheat Board that we are dealing with this legislation down the road. There is no way the legislation can fulfil the purpose slated for it or be satisfactory to the grain producers. As a result, it will not get the support that is required to make legislation like this work.

Another of the shorfalls of the legislation is that it will mean a further increase in bureaucracy. This has been a sore point for me. Right from the start I felt that any program like this should be initiated and administered by the crop insurance commissions of the three prairie provinces and the Peace River bloc in British Columbia. There is absolutely no reason in the world why the program could not be administered by the headquarters of the three prairie administrations, instead of Ottawa. If this government had wanted to give a certain degree of authority to another part of Canada, this would have been a prime area to do so, as well as a wonderful opportunity for the three prairie crop insurance commissions. But no, the minister refuses to do this; apparently he wants the legislation to be under his thumb.

● (1710)

Perhaps the reason is, and I can think of no other, that the minister wants to build his own empire. There is absolutely no room in the political arena for any individual member of parliament, minister of the cabinet, or anybody else, to build an empire, because the minute you start doing that, the administrative efficiency deteriorates and the government does not then operate for the benefit of the people. We are here with the challenge to bring in good legislation which will be for the benefit of those we have to serve. I am sorry to say that is not the case in respect of this legislation. I want the people that I represent to know that I am unhappy with this bill because I know that at some time in the future we will have to deal with this matter again. There are too many inadequacies in this measure for it to serve any useful purpose.

As I pointed out to hon. members this afternoon, there are many people in their senior years in the agricultural industry who will never take advantage of this legislation because some time in the near future they intend to retire. Most of them will never participate in this bill, short of there being a disastrous drop in either production or the price in future years. Soon after they retire there is no longer any way in which they can benefit from the premiums they will have paid. For that reason alone I think this is bad legislation.

I am sorry this House has been unable to bring forward a better piece of legislation. That being the case, I should hope that in the not too distant future we will deal with this matter again, as I am sure we will, because the producers will demand that the inequities in this bill either be reconciled or corrected with future legislation.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to address—

Mr. Deputy Speaker: Order, please. Is the hon. member seeking the floor to participate in the debate?

Mr. Goodale: Yes, Mr. Speaker.

[Mr. Towers.]

Mr. Deputy Speaker: I should point out that this can only be done, as the hon. member has already spoken, with unanimous consent.

Mr. Goodale: No, Mr. Speaker, I have not spoken on third reading. Is there no right to reply?

Mr. Deputy Speaker: If the hon. member wishes to reply, he can only speak at this stage with the unanimous consent of the House.

Mr. Benjamin: You have already spoken.

Mr. Goodale: Just for my own information, Mr. Speaker, I wonder if you would clarify the ruling so that I will understand your position. Perhaps, my being a new member, you would explain the situation to me. I have not participated in the debate at third reading stage, and I would appreciate it if you would clarify the ruling.

Mr. Deputy Speaker: If the hon. member takes the trouble of looking at Beauchesne's fourth edition, he will find that the right to reply only applies to a substantive motion.

An hon. Member: That is not the rule in question.

Mr. Goodale: I have not spoken on third reading.

Mr. Deputy Speaker: I thought the hon. member said he had spoken on third reading.

Mr. Goodale: No, Mr. Speaker.

Mr. Deputy Speaker: I am very sorry. I will recognize the hon. member. I had him on my list as having spoken.

Mr. Goodale: Thank you, Mr. Speaker. I think the list to which you have referred is one where time ran out before everyone on it had been given the opportunity to take part in the debate before the recess. At that time my name did not come forward and I did not have the opportunity to speak during the debate. I thank you for recognizing me at this time.

I must say, as I begin this afternoon, that I have been interested to hear the comments by members of the official opposition party as well as those by members of the NDP regarding the legislation before us. To a certain extent I regret, not the substantive comments they have had to make about some of the problems they see in the future in respect of grain farm income, but the pessimistic and rather gloomy tenor and tone of what they had to say. I do not share that pessimism. I believe very sincerely that this particular moment is an historic one, historic for this parliament and for the government of Canada because of the nature of the bill we are dealing with now and, most importantly, it is historic for the grain producers and the economy of western Canada. We are now nearing what I hope will be final approval in the House of Commons and, hopefully, soon approval in the other place as well, for Bill C-41 respecting the Western Grain Stabilization Act. I say "hopefully" with some optimism, as I sense in the House this afternoon a willingness to give this measure third reading in a fairly short period of time.

Recently, grain producers in western Canada have gone again on record in a very clear and categorical way with

their wishes in this respect. I think it is important to take account of this. Farmers have, once again, made it abundantly clear in the past few weeks that they support this legislation, that they want it and want it as soon as possible. I hope this expression of opinion will carry some weight with all hon. members of this House. I should first like to refer to a press report which appeared in the Thursday, December 19, edition of the Regina *Leader-Post* under the headline, "Pool Supports Bill". I should like to quote part of that report, for the information of hon. members, as it appears in the Regina *Leader-Post* as follows:

The board of directors of Saskatchewan Wheat Pool has called on all members of parliament to facilitate passage of the federal government's grains stabilization bill. The pool directors are concerned that provisions of the plan be passed into law as soon as possible.

The directors stated that ample time and opportunity has been provided for all interested parties wishing to suggest amendments to the stabilization bill. "Saskatchewan Wheat Pool notes that the House of Commons standing committee on agriculture held a series of hearings throughout the prairie region this past summer in which opinions of farm people were heard and proposed amendments discussed.

In addition, various farm organizations and individuals have advanced their views on the subject in briefs and other representations," the directors said.

The article goes on at some length. That is a very important expression of opinion which I hope will find some favour in the House as we consider this measure. I would also like to quote from a newspaper article that appeared recently in the Manitoba *Co-Operator* under the date January 15, 1976. This is a very important farm newspaper published in the province of Manitoba. Under the headline, "Farm Bureau Urges Income Stabilization", the article reads:

The representatives of the bureau also endorsed a resolution which called for a recommendation to go to the federal government that the western grains income stabilization bill, known as Bill C-41, be adopted at an early date and certainly prior to the completion of the current session of parliament. The bill is in its third reading at the present time. The meeting directed that letters urging the passage of this legislation be sent to Mr. Lang, agriculture minister Eugene Whelan, and the leaders of the opposition parties and all members of parliament from Manitoba.

Finally, I should like to put on record sentiments expressed recently at a very important annual meeting of farm organizations in western Canada. I am referring to the Western Agricultural Conference which involves members of the Unifarm from Alberta, members of the Saskatchewan Federation of Agriculture, the Manitoba Farm Bureau and United Grain Growers. As a result of their annual meeting held recently in the west, this organization at this conference forwarded a message to the minister responsible for the Canadian Wheat Board which reads as follows:

Western Agricultural Conference members meeting in Regina January 15 adopted the following policy:

"That the grains stabilization legislation be adopted at an early date and certainly prior to the completion of the current session of parliament."

As I say, that message was from Alberta Unifarm, the Saskatchewan Federation of Agriculture, the Manitoba Farm Bureau and United Grain Growers. I must say I found that expression of opinion from a very broad cross-section of the grains industry in western Canada to be persuasive, and I hope other members of this House will find the same kind of import in those words from these various groups in the west. These words are really a repetition of the full support for Bill C-41 which came through very clearly in our committee work on the legislation. I think, for example, of the very detailed, thoughtful and thorough brief presented to us by the Canadian Federation of Agriculture when our Standing Committee on Agriculture met in Edmonton on June 16, 1975. The CFA put forward a careful and reasoned analysis of this bill. They discussed several specific recommendations for changes, many of which, I hasten to point out, we have been able to accommodate already in the amending processes which have gone on prior to this moment. On this important matter of farmers' support for Bill C-41, I wish to refer hon. members to the manner in which the Canadian Federation of Agriculture began its important presentation to the standing committee. It began with this paragraph, and once again I think it is important to put these words on the record:

● (1720)

The Canadian Federation of Agriculture supports the passage of this legislation. The federation believes it is decidedly in the interest of the prairie grain industry and the prairie and Canadian economy to have a stabilization plan of this nature.

That is how the CFA began its presentation. I think it is important to note the words the CFA used in concluding that presentation to the Standing committee. Once again I am quoting from the brief presented to us on June 16 in Edmonton:

Finally, but very importantly, we recommend the plan enter into force for the year 1975. Our members have made their wishes on this very clear, emphasizing the value they place on this legislation.

Unfortunately, we have already passed the deadline of 1975, but certainly the purport of their recommendation is that this is a good bill which should be approved by the House at as early a date as possible. I find that an important expression of opinion, coming as it does from one of Canada's most broadly based representative and producer-oriented organizations. This obvious producer-based support for Bill C-41 was a consistent theme throughout our committee work. As brief after brief came forward from farm organizations, there were a number of suggestions for changes or amendments to the legislation, but the context in which those recommendations were put forward was always the same: it was a context of support for the bill.

As I say, many suggestions for strengthening the bill were presented by many groups. Many of these ideas have already been incorporated in the amendments. It might be useful, in a summary way, to review what some of those amendments have been. For example, we have expanded the voluntary nature of the plan to ensure that new producers who begin operations some time down the road may also have full opportunity to exercise their option, if they so choose, using their own good judgment about their farm operations; to be out of the plan if that is their judgment. The voluntary nature of the plan has been expanded.

We have removed the previous limits on the participation of multiple-unit farms. We have referred the matter of interest rates and the maximum level of gross receipts to the producer advisory group that is set up under the legislation. We have undertaken conscientiously to examine the matter of regionalization about which we have

heard today and earlier in our discussions of this legislation.

At the report stage, in addition to a series of amendments proposed by the minister designed to simplify somewhat the mathematics involved in the bill, we accepted amendments which made specific our desire to include in the plan about 90 per cent of eligible grain sale proceeds and to require a full report to parliament at the end of the first three-year period of operation. These have been major amendments despite the comments we have heard from some in this House who would suggest that they are rather minor. They are amendments which were largely suggested to us by farm organizations which presented representations to us in our committee hearings.

We have dealt with them in response largely to these producer representations. They represent, I suggest, a sensitive responsiveness to the proposals made by the farmers and farm groups, individuals and groups which, as I said earlier, have repeatedly come forward to make suggestions for improvement, always in the context of supporting this bill and seeking to make the bill better. That much good work indeed has been done.

I should like to address a few remarks in relation to some of the comments we heard today, and on the occasion before Christmas when we had a chance to discuss this legislation at third reading stage, about the matter of individualizing the plan or the question of regionalization. First, I wish to deal with the matter of individualization. We have heard what amounted to two widely different approaches to this particular question, one expressed by members of the New Democratic Party and the other expressed by members of the Conservative party.

They are expressed in similar terms in that they each use the word "individualization", but I think members of those two parties would readily agree that the approaches they are suggesting are radically different. First of all, the NDP approach, which as I assessed it received some support from the spokesman for the National Farmers Union who appeared before us, and by some provincial governments in western Canada, notably Saskatchewan and Manitoba, in principle amounts not to a grain income stabilization program or a commodity stabilization plan in any way, but really to what is more properly described as a guaranteed income scheme which has, as I view the situation, three rather undesirable attachments to it. First of all, it would be my expectation that the NDP proposal for individualization would serve to eliminate what are real and legitimate differences between good and bad farming judgment and good and bad farming practices. I do not think one would find very many farmers in western Canada who would want those legitimate differences between one farmer and the next eliminated by a government plan.

Second, the NDP proposal could possibly, and I would suggest quite likely, distort or provide artificial insulation against real and inescapable production and marketing signals which producers should be able to see and hear. I think hon. members opposite would agree that was one of the most important concerns voiced by the Palliser Wheat Growers Association when that association presented its brief to us at our hearings in Regina. They did not want the plan to be artificial or distorted, or to get us away from the real world in which we live.

[Mr. Goodale.]

Finally, one of the objections I think farmers generally would have to the proposal for individualization put forward by the NDP is that it seems to me that kind of a concept inevitably would lead to greater interference in, and control over, the individual producer's operating decisions. That would be an undesirable result, and I think an almost inevitable result of the proposal they are making. I think it is an unwanted result. It certainly is unwanted from the perspective of grain producers.

Now I should like to turn to the proposal put forward by the members of the Conservative party. As I begin, I want to thank them for the conscientious way in which they have approached this question. I refer particularly to the proposal of my hon. friend from Moose Jaw who I think has done a great deal of work on this idea. Unfortunately, I cannot agree with his proposal, for reasons which I hope he will agree are substantive and reasonable.

First of all, having taken a serious look at his particular idea and the mathematics of it, and having gone through some calculations based upon what he had to say, it is my judgment that the proposal he has made would serve to reduce the level of federal contributions and commitments to the stabilization program. It would reduce the level of over-all protection for the grains industry and individual producers. Indeed, it would make the plan less effective in total. That can be seen only by going through the full set of calculations and working out what his proposal would amount to, or what his party's proposal would amount to, compared to the proposal of the government.

The mathematical calculations are rather long and detailed, but when you come to the final line and compare the value of the government's plan, on the one hand, with the value of the alternate proposal on the other, the figures are very clear. In the long run, the net protection for the grains industry or for individual producers would be substantially less under the proposal put forward by my hon. friend from Moose Jaw on behalf of the Conservative party. So, clearly, this business of individualization is not an unmixed blessing. It may be simpler to explain if you can put it in those terms, but it does not lead simply to a better plan for western farmers.

On the matter of regionalization, as opposed to individualization, I think I can deal with that matter very simply once again by referring to a specific recommendation on this point made to the government and to parliament by the Canadian Federation of Agriculture when that organization appeared before us. On page 3 of their brief they recommend that we provide for intensive study of the regionalization option and the legislation for its adoption if this should prove desirable.

● (1730)

They were not suggesting that we march forward immediately with regionalization, but that we look at it seriously, recognizing that it too may not be an unmixed blessing, and that we study the question very carefully before going forward with it. It may well have some merits, and hon. members have discussed those potential merits in the House on many occasions, but CFA suggested that we look at it carefully, analyse the pros and cons, see if it can be feasibly and reasonably done, and then, if that proves to be the case, that some time later down the road

we go ahead with it. That is a reasonable recommendation, and indeed before the standing committee the minister made it clear that that kind of examination of the question would be undertaken.

We have heard a great deal in this House today and on previous occasions about the cost of the administration which will be involved in handling the western grain stabilization plan. This could be of some concern because we have heard a great deal about thousands of bureaucrats descending upon the west, interviewing farmers, causing them a great deal of extra fuss and bother, and about extra costs mounting to hundreds of thousands of dollars every year going down the drain in the administration of this plan. Those have been the stories and the rumours, and they may be entertaining, or in some circles politically popular, but they are simply not factual; they are not true. In the first year or two of the program naturally some extra expenses will be involved in the start up process, and some extra costs may be incurred in the survey work which will have to be done at the outset, but once the plan is in place and functioning it will be interesting to look at the facts and to see what the presently projected administrative figures turn out to be in reality.

The estimate at the present moment is that the permanent administration of the western grain stabilization plan will involve some 12 to 15 people. It is planned that they will be located in a rather small office of the western grain stabilization administration located in the Canadian Grain Commission building in Winnipeg. A total cost of something in the range of $300,000 per year on an ongoing basis is likely to be required for the administration of that office and of the plan.

Some argue, as we heard earlier today in the discussion by the hon. member for Red Deer (Mr. Towers), that the crop insurance programs would be a more desirable mechanism for the administration of a plan of this kind. It has been suggested that that would be a cheaper and more effective way to administer an income stability program. If the matter were that simple I think we might be inclined to follow the suggestion of my hon. friend and of crop insurance boards elsewhere in the country, but the facts simply do not support the case.

It is interesting to consider some of the specific figures. I refer to the figures for 1975-76 and the cost of administering crop insurance programs in the three prairie provinces. The important figure to consider is the projected administrative cost per insured farmer for the year 1975-76. First, for the province of Alberta it is estimated that the administration costs will work out to be something very close for $80 per insured farmer. For the province of Manitoba it is estimated that the administration costs per insured farmer for 1975-76 will work out to something in excess of $80 per insured farmer. In Saskatchewan the comparable figure is something in the range of $65 per insured farmer.

When we consider the administration of the western grain stabilization plan and include all the feasible costs which could be involved, and based upon certain assumptions about participation levels in the plan, it works out that the projected cost per insured farmer under the western grain stabilization plan is something in the range of $11 or $12 per insured farmer. That is $11 or $12 compared with $65 for crop insurance in Saskatchewan and with approximately $80 for crop insurance in Manitoba and Alberta.

Those figures are pretty important, and I think they show that the administration of this plan is likely to be substantially less costly than the crop insurance programs now in place. It is interesting to note as well that all administrative charges for the western grain stabilization plan are not borne by the fund established under the legislation, but rather by the general treasury or the general revenues of Canada, by the taxpaying population of the entire country. It will not be borne by the specific goal oriented contributions made by government and by individual producers to the stabilization fund.

Finally I wish to deal with a matter which has been raised in the course of this debate, and I think it is important. It has to do with the complexity and detail involved in this legislation. It has been suggested that it is too long, detailed, and complicated. To begin with, what we are dealing with is a long, detailed, and complicated problem. It is a problem which goes back to the very beginnings of western Canada. We are all familiar with that cyclical pattern of grain incomes—up one year and down the next—which shakes the western grain industry to its very boots.

Our problem is not a simple one. It is a fundamental challenge which has faced the grain industry and successive governments of various political stripes in this country over the years. It is not a simple problem to solve in just a few words or with a simple plan. It is a complicated problem requiring a detailed and, I suggest, complex approach.

It has been suggested that the earlier bill which came forward some four or five years ago was simpler than this one. This suggestion refers to the old bill, C-244, but I hope hon. members will also remember in comparing that bill with this bill that the older bill was a compulsory plan. Producers and other people suggested that this plan should be voluntary. We have made it essentially voluntary, but by doing that we have necessarily added some complexity to the legislation.

It had been argued that Bill C-244 of four or five years ago was defective because it was on a gross basis and not on a net cash basis. That argument was accepted by the government, and the bill has been improved. It is a stronger bill because it now takes into consideration the cost of production. It is based on the net cash position of farmers, and because it is improved in that respect it has also necessarily become more complex. Good features which improve legislation also, unfortunately, add to its complexity. That is a fact which is inescapable.

Also important is that despite the defect which some hon. members see, and despite the fact that the legislation is complex, there is also a very important advantage in that because everything affecting the calculations is in the bill. It is all spelled out in detail for farmers, parliamentarians, and everyone in the country to see. Nobody can change those calculations. Nobody can change the rules without coming back to parliament to do so. I have heard hon. members opposite complain rather bitterly about the fact that government tends to do so many things by regulation and by orders in council. Well, this is one measure where

that is not so because everything affecting the calculations is specifically spelled out in the law itself.

I do not deny that this bill is complex. I quite agree with hon. members that it is a long and detailed bill. However, if it is complex I suggest to hon. members on all sides of the House that that necessarily places an important burden on each one of us, not necessarily to go out and sell the bill if we are not inclined to do that, but at least to go out and explain it factually and rationally to producers in our respective constituencies across western Canada so that they, at least, can have the facts and the basic information before them, and so that they then can make a rational judgment for themselves about the grain stabilization plan. We on the government side ask hon. members to carry out that responsibility. We do not ask them to go out and promote the bill if that is not deemed to be in their political interest, but at least to go out and explain the facts rationally and fairly so that producers will have a full and fair opportunity to exercise their judgment under the legislation.

Hon. members might ask how is that to be done, how we suggest they explain the legislation. I think it could be done in a number of ways, and just for the information of the House I should like to tick off a few of those which hon. members might find interesting.

● (1740)

This is one of the ways in which that particular effort of explanation and information was carried out in the constituency of Assiniboia. Hon. members will recall that the bill was introduced on December 4, 1974. Ten or 12 meetings were then conducted across the Assiniboia constituency. Farmers and the public were invited to discuss the legislation in its initial form in January, 1975. Then there was a province-wide open line radio program on CBC where the same general discussion was invited on the bill as presented to parliament in its original form. Following that, across the length and breadth of Assiniboia and other constituencies, because media patterns happen to overlap, there were at least seven detailed articles in weekly newspapers telling in a fair and unbiased way what the stabilization plan was all about.

Then there was a series of news releases and press reports advertising the hearings of the Standing Committee on Agriculture to be conducted across Canada. I have heard hon. members complain that nobody knew about these hearings, that they were secret and that farmers were not given a chance to appear. But those hearings were advertised in all the weekly newspapers in Assiniboia constituency. I did a head count on one occasion, and most of the people in attendance at our hearing in Regina, in the middle of the hearing week in western Canada, were from Assiniboia.

Advertisements were placed in the weekly newspapers and paid for by the member of parliament telling of the specific calculations that would be made available to individual farmers who wanted to know what the plan would mean to them. That information was given publicly to members of parliament by the minister when he appeared before the standing committee. He extended a blanket invitation to anyone who wanted to know what the plan would mean to them. All they had to do was send

[Mr. Goodale.]

in their gross grain receipt figures to an address in Regina and the information would be provided to them. That was advertised across the southern part of Saskatchewan, which I have the honour to represent.

Finally, Mr. Speaker, in the early part of October, 1975, there were 12 more meetings in four days. Once again farmers were invited to attend and hear about the bill, to make comments and ask questions before final consideration in this House. Full details of the legislation were provided, a slide show was offered and leaflets were available for farmers to take home and study. There was also a question and answer period. Every corner of the constituency of Assiniboia was covered. It might be useful to mention the places involved—Avonlea, Mossbank, Gravelbourg, Glentworth, Rockglen, Assiniboia, Bengough, Radville, Milestone, Torquay, Sedley, and Weyburn.

After that there was final open line show in November on the largest privately owned radio station in Saskatchewan where western farmers were given the opportunity of discussing the legislation.

As I say, Mr. Speaker, I think there is a responsibility on members to make sure that the bill is understood. I do not ask members opposite to sell the bill if they do not think it is in their political interests to do so. I think they have an obligation, however, and the government and farmers of this country can ask them to live up to that obligation, to provide producers in their area with the same kind of factual information that was provided in at least one constituency in Saskatchewan.

I see my time is coming to an end, Mr. Speaker, and I do not want to belabour the point any further. We have had a good discussion. I hope the sense of optimism that I expressed earlier will not be misplaced as we come to what I hope will be the conclusion of this important and interesting debate on Bill C-41.

I want to share with the House the experience I have had with this legislation over the past year in the west. Two points are crystal clear as result of the effort at explanation, consultation, and discussion with farmers. First of all there is a broad base, a genuine support for this bill among western grain farmers, and secondly the legislation is far better known and understood by farmers than hon. members opposite would have us believe.

I think it is important to keep in mind the context in which the bill has come forward, not a context of ad hocery or piecemeal changes, but a context of important and ongoing upgrading of the grain industry in western Canada under the leadership of this particular minister for the past four or five years. It is a record of accomplishment. All members associated with the minister, particularly members on the government side, can be very pleased to acknowledge and support that record. One of the main pillars of it is the Western Grain Stabilization Act. I am sure it will stand in the history of this country as a tribute to the foresight and accomplishment of the present minister responsible for the Canadian Wheat Board for his work on behalf of the western grains industry.

Mr. Derek Blackburn (Brant): Mr. Speaker, I do not intervene very often in debates dealing with western rural problems. Because I represent an urban riding in southwestern Ontario some members opposite may feel that I

should not intervene in this debate or that I do not know what I am talking about. The main reason why I decided to intervene briefly is because there are so many questions in my mind about how fair and equitable this bill will be to the prairie grain producer.

Another reason why I am intervening briefly is that in my constituency of Brant two major industries are heavily dependent on the prosperity of western grain growers. I refer to Massey-Ferguson and White farm equipment. During the five years that I have been a member of this House I have tried to convience the urban industrial workers in my riding who are employed by those two industries that their welfare and their future are inextricably tied to the well-being and prosperity of the western grain growers. I am not speaking specifically on behalf of the western grain grower; there are others in the House, certainly in my own party, much more capable of doing so. However, I do wish to draw the attention of the House to the link between the prosperity of the prairies and prosperity in central Canada with respect to farming and the farm implement industry.

There are many questions in my own mind, and because of them I think there should be more discussion in this chamber before the bill is given third reading. I am quite sure a lot of farmers on the prairies would like to see more debate on the bill. My party agrees with the bill in principle and I believe the Progressive Conservative party agrees in principle as well. It is the nitty gritty, the specifics of certain clauses in the bill that give the trouble.

It has taken many years to bring in this piece of legislation to stabilize prices for grain production income. Because it has taken so long I see no reason why we should not go a little further, in the hope that the minister responsible for the Wheat Board may make some last minute alterations to make the bill even more effective. That is why I now move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

● (1750)

That Bill C-41 be not now read a third time but that it be referred back to the Standing Committee on Agriculture for the purpose of reconsidering clauses 8, 9, 10 and 11 thereof.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will take perhaps two minutes to reply to the suggestion of the hon. member for Brant (Mr. Blackburn). My parliamentary secretary, the hon. member for Assiniboia (Mr. Goodale), has dealt with the various points of substance made in relation to the stabilization bill before the House. I only note that the hon. member reinforces the impression of his party's continued obstruction to passage of this bill into law. That obstruction has been a mark of the NDP for many years, and the obstruction is not deserved. It is unfortunate that the NDP has brought forward once again an apparently delaying motion. I hope the House will deal with the motion with dispatch and, indeed, dispatch it.

It is strange that the small band of NDP members from the prairies have not made it clear to the hon. member for Brant that there is now a virtually unanimous voice from farm organizations on the prairies asking that this bill be passed, and specifically noting the obstruction of the opposition and asking that it end so that this bill may become law.

Mr. Peters: We know all about the Palliser business.

Mr. Lang: This piece of legislation is a form of income protection for the farmers of western Canada and will rank as a key part of a whole range of agricultural policies. Over the years I predict it will prove its value time and again. I will await the evidence of history and will take the opportunity to record for the people of the west, on every occasion I can, the kind of opposition shown by certain members from the west to the bill. I will do this in time as benefits to farmers become apparent.

This opposition is something hon. members will not be allowed to forget. It is sad to see members representing western regions allowing their political instincts to dominate them. They believe that anything that is good for the farmer will, in the end, redound to the benefit of the government and they are therefore taking the negative approach of opposing the legislation or obstructing it throughout its consideration. The Saskatchewan Wheat Pool, Western Agricultural Conference, the membership of the Manitoba Farm Bureau, Unifarm people of Alberta, and United Grain Growers, among others, have voiced support for the bill, want it passed, and have asked specifically for opposition obstruction to end.

I therefore ask that we now put the question on whether there is to be further delay, and then pass the bill and allow it to go to the Senate to become law. I predict that hon. members opposite one day will have to admit that it is a monument of protection for the grain farmer of western Canada and one of the foremost measures members of western Canada in this House have ever had an opportunity to support. Instead of supporting it, hon. members opposite have been obstructing. That is to be regretted.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker—

An hon. Member: Take two minutes, as Otto did.

Mr. Benjamin: I will take two minutes now, and the rest after eight o'clock. I will use the first two minutes in reminding the minister in charge of the Wheat Board that he had better not talk about obstruction and delay. I remind the minister that this legislation, which he considers earth shaking, was presented for first reading on December 4, 1974. Announcing the legislation the minister proclaimed it as the greatest thing since sliced bread. It was to have top priority on the government's agenda. But when did the bill come forward for second reading?

Mr. Nystrom: When?

Mr. Benjamin: On April 28. For almost five months the bill was on the order paper at the bottom of the government's priority list. Then, after second reading was finished, the agricultural committee held its hearings. If my memory serves me correctly, the hearings were completed in the latter part of June. The House sat all July but did not deal with the committee's report at the report stage. Actually the bill was not called. It was not called until long after the House reconvened on September 30.

Because of government incompetence in handling the business of the House and the minister's difficulty in persuading cabinet colleagues and backbenchers to provide additional tens of millions of dollars for the western grain producer, this bill is still before the House instead of having been completed some time ago.

I remind the minister that over half the time wasted since this bill was introduced at first reading can be attributed to the government's incompetence in handling the agenda of the House, and recesses. The government decided, it was more important that members of parliament should go on holiday in August and September than deal with this legislation. May I call it six o'clock?

Mr. Deputy Speaker: It being six o'clock, I do now leave this chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Benjamin: Madam Speaker, hon. members now in the Chamber are such nice fellows that I will continue my remarks in a mild vein until the minister in charge of the Canadian Wheat Board and the hon. member for Assiniboia (Mr. Goodale) return. In view of the remarks they were making before six o'clock, I hope they get here. They are not the type who fire their guns and then run. I am confident they will be here before my time is up. I hope they do not return just two minutes before I complete my remarks as that would not give me time to say all I want to say to their faces.

I will dwell on some items to convince members opposite to persuade the minister in charge of the wheat board to send this bill back to committee where some fundamental changes can be made in order that this will be a real grain income stabilization program.

As a minimum, the legislation would have to be amended to allow the grain producer to show as a cost of production what farmers all across Canada are allowed to show on their income tax returns under the present federal agricultural stabilization legislation for other farm products. Costs of production legally and properly determined by provincial governments, universities, and experts who compile farm production costs all include farm costs that are excluded from this legislation.

The minister in charge of the wheat board and the hon. member for Assiniboia complain about this bill not being passed quickly. I do not know how they can complain when items that are included in other legislation brought in by a Liberal government are excluded from this bill. I find that passing strange. I hope members opposite will persuade the minister to send the bill back to committee in order that clause 8 may be amended to allow the appropriate costs of production to be included.

There are several things wrong with the legislation. No bill is perfect no matter what government of what political stripe introduces it. It is, of course, the duty of opposition members as well as of organizations and individuals outside government to persuade it to make changes which they feel necessary in light of their experience and knowledge. There has been a great deal of difficulty trying to do that with this bill.

I remind hon. members that while the grain stabilization bill is supposed to take into account costs of production, it leaves out certain areas. Statistics compiled within the past few days show that farm costs have risen as well as farm prices. According to these statistics, farm costs have risen in excess of farm prices. Therefore a grain stabilization bill based on costs of production that leave out some of these increased costs is unfair to farmers.

In 1975, including the period of time when the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Macdonald) were telling us to show restraint and stating that they were going to control prices and incomes, farm costs rose in a manner that in fact negated what seemed to be the good price grain producers were getting for wheat, oats, barley, rye, flax and rapeseed.

The cost of farm fuels increased 20 per cent in 1975 over 1974. Tools, hardware and repairs increased by 20 per cent and hired custom work increased by 20 per cent. Fertilizer went up in price between 25 and 50 per cent in 1975 over 1974, and chemical and sprays increased from 15 to 22 per cent.

Interest charges are specifically excluded from the legislation. Any businessman or farmer of any other product under the Agricultural Marketing Act can show interest charges on machinery, equipment, and buildings as a legitimate cost of production. However, that item is excluded from the grain stabilization bill. Farmers in the rural part of my constituency of Regina-Lake Centre pay from $500 to $3,000 a year in interest charges on farm machinery, equipment, and buildings. That is not included as a legitimate cost of production in this legislation. The minister in charge of the wheat board complains that the opposition is obstructing and delaying this bill. If you were raising any other kind of farm product, then under any other stabilization bill those charges would be considered a legitimate cost of production. Yet they are not included in the legislation before us. The minister in charge of the wheat board, the hon. member for Assiniboia, and the hon. member for Battleford-Kindersley (Mr. McIsaac) were all here during the debate but none of them have answered that question yet.

● (2010)

The minister in charge of the wheat board should be very happy that my hon. friend should have introduced the amendment to third reading which would allow him to speak again and answer that question. In the event, he has refused to answer during the 14 months since the bill was presented for first reading. He refuses to answer because he cannot answer.

Here is another item. When you buy an insurance policy to insure farm buildings or anything else, the cost of that insurance is a legitimate cost of production. Nevertheless, it is excluded under the terms of the bill before us. The minister, the hon. member for Assiniboia, and the hon. member for Battleford-Kindersley have yet to deal with that question. There is a further item—depreciation of farm equipment, farm buildings, and farm machinery. This

is an important matter for anyone engaged in farming, primary production or business, yet it is excluded as a legitimate cost of production under the bill we are now considering.

In any year when there is a pay-out under this grain stabilization bill, that pay-out is based on the net tax flow after deduction for the cost of production. If you exclude interest charges, depreciation, and premiums on the stabilization plan you put a fair hole in the credit a grain producer should receive for his cost of production. I should like to ask any hon. member on the government side who comes from a constituency with some farmers in it, in Ontario, Quebec or the Atlantic provinces, to tell me the answer to this question: how come these things form part of the cost of production in your province but are excluded in Alberta, Saskatchewan, Manitoba or the Peace River district of British Columbia?

I want to be perfectly honest with the government members tonight. The hon. member for Brant (Mr. Blackburn) moved the third reading amendment not only because he felt legitimate concern about what this bill contains but because we wanted the minister or the hon. member for Assiniboia to have an opportunity to tell us about the items which had been left out. They have yet to do it.

An hon. Member: They did it during the report stage.

Mr. Benjamin: They did not. In fact the hon. member for Assiniboia was so stupid as to claim that the premiums paid under the stabilization bill would be counted. Then he had to get up and admit he was wrong. The hon. member for Assiniboia can read the written remarks of the minister in charge of the wheat board, but that does not mean he is right. Now that that hon. member is back in the Chamber I should like to deal with some of the remarks he made. He said the bill is historic. I will agree with that. He says farm organizations say they want the bill passed. That is correct.

Let us go into the things the hon. member said. The bill is historic in the sense that it will complete the total perversion of the whole principle of income stabilization. This being the case I suppose it will go down in history. The hon. member said farm organizations want the bill. I agreed that this was true, but there are a few other things the hon. member forgot to tell the House and I want to help him complete his speech.

He attended meetings of farm organizations, as I did, and he found out in hotel rooms and lobbies, and on the floor at those meetings, that the farm representatives threw up their hands in sheer despair and said, "Let us get this bill passed because it is better than nothing; it is an improvement over what we had in 1971, which was awful; let us get the bill passed and try to change it later on." I do not blame them for taking that attitude based on the bitter experience of farm organizations over the decades. It was just sheer desperation. The hon. member forgot to let the House know about that. He conveniently forgot to tell us that those same farm organizations which said they wanted the bill passed also said it was not the kind of bill they would like to see, the kind of bill they ought to have. That is exactly what we are trying to do in the New Democratic Party and, to be fair, that is exactly what members of the official opposition are trying to do—make this the piece of legislation the farmers deserve to have.

I wish to mention also some points which were touched on by the minister and by the hon. member for Assiniboia. I was present at the meetings of the Saskatchewan Federation of Agriculture and I heard the minister in charge of the wheat board make his speech. He even nodded to me while I was there. Dealing with criticism of this bill on the ground that it rewards fortune and penalizes misfortune, he chose to put it in another manner—the hon. member for Assiniboia dealt with this before supper—saying they were trying to design legislation which would reward good management rather than good luck.

I am amused by Liberals who talk about good management, about the farmer who pulled himself up by his own bootstraps. Among farmers I know, not only in my riding but other parts of the prairies, when it comes to good management one of the first criteria they use is to disregard the advice of the minister. About three years ago the minister went on the air in Western Canada advising farmers not to put more acreage into Durum. One good friend of mine listened to the farm broadcast at noon, then went out directly with his tractor and put another 40 acres under Durum. He has been doing it every year since and, by golly, the final payment on Durum this year is $2.03 a bushel. He was doing exactly the opposite of what the minister in charge of the wheat board advocated. That was good management.

● (2020)

The hon. member for Assiniboia talked about marketing signals, I think was the phrase. I do not know whether he is playing the grain futures or speculating on the stock exchange, but he talked about marketing signals and good management versus these proposals put forward by the Conservatives and the NDP to have the grain stabilization program put on an individual basis. He said that would create artificial distortions, whatever the heck that means.

The hon. member for Assiniboia claimed that under the program of the minister in charge of the Canadian Wheat Board the farmer can watch the marketing signals and have good management, whereas the proposals of the official opposition and the NDP would provide artificial distortions. Well, Madam Speaker, let me examine what the minister in charge of the Canadian Wheat Board says about good decisions.

Mr. Stanfield: Are you associating with us?

Mr. Benjamin: Yes, isn't it awful. Let me tell my friend, the Leader of the Opposition (Mr. Stanfield), that this is one occasion where we are as one, which makes us both feel uncomfortable when we think of a lot of other things. But on this bill we are as one, a rare occasion indeed. It shows that even the Conservatives can agree with the NDP and vice-versa; it might never happen again and probably will not. If this makes me sound like some kind of free enterpriser I apologize, and if it makes them sound like socialists I welcome it.

The hon. member for Assiniboia, the mouthpiece for the minister in charge of the Canadian Wheat Board, repeated several times what the minister said about good decisions.

Mr. Peters: He had to. The minister wrote his speech.

Mr. Benjamin: Yes. He repeated what the minister said about what to grow and about what is going to happen in the market place. The hon. member for Assiniboia will likely be followed as soon as I sit down by the hon. member for Battleford-Kindersley, who will also give me the gears about good decisions in the market place and good decisions regarding what to grow. But a farmer friend of mine grows Durum every time the minister in charge of the Canadian Wheat Board tells him not to, and he has made an extra buck a bushel on the final payment to doing so.

Following the asinine assertion of the minister in charge of the Canadian Wheat Board, the hon. member for Assiniboia then requires that same farmer to make good decisions and to look at the signals that he gets, not about the market but about the weather. If one were to follow the logic of the minister and the hon. member for Assiniboia, not only can farmers predict what the market will be and what the price will be over the next year but, dammit, they should be able to predict whether or not they will get enough rain! Not only should farmers be able to predict the weather but there should not be any drought, or too many grasshoppers, coyotes, Russian thistles, gophers or Liberals, and they should be able to make good management decisions as to how many acres of each kind of grain to grow.

It is just as difficult for the best grain producer in western Canada to make an intelligent management decision about marketing and prices as it is about the weather. Which brings me to a very sensitive subject, this whole business of the market and whether or not it is working. We have all heard a great deal about this in the last two or three weeks, and I hope my hon. friends opposite appreciate the fact that the NDP has not had much to say about that. We have been saying ever since 1932 that the market system has not been working. Then we had this terrible insult to our intelligence when the Prime Minister (Mr. Trudeau) confirmed in a speech he made what we have been saying for 40 years.

To ask that farmers make good management decisions in the market place—in the market system, to quote the Prime Minister—contrasts with what the minister in charge of the Canadian Wheat Board and the hon. member for Assiniboia say. There has to be some kind of contradiction there. My problem is that I do not want either the Prime Minister or the other two hon. gentlemen as my friends in that argument, but it does illustrate what nonsense the minister in charge of the Canadian Wheat Board and the hon. member for Assiniboia tried to put over on this House before supper time.

Let me return, Madam Speaker, to an issue that the minister raised just before six o'clock, and I will use up my last few minutes on it. The minister talked about obstruction and complained that the New Democratic Party had moved a third reading amendment. For all I know the official opposition will move another, and God bless them if they do because this legislation needs to go back to committee for amendment. Not only are the grain producers involved but taxpayers all across Canada, with a minimum government contribution of $200 million.

This bill was given first reading on December 4, 1974. The minister has complained about obstruction and about how the opposition were delaying the grain stabilization bill, but it was not called for second reading until April 28 or 29. April 29 was my birthday, but anyway some four and a half, almost five months, had elapsed since first reading. I remind the House that it first sat on September 30, 1974, and some two months and one week went by before first reading on December 4. Another four and a half months went by between first reading and second reading on April 28. Yet the minister in charge of the wheat board says the opposition is to blame for obstructing the bill. Incidentally, Madam Speaker, do you know how many days were spent on this bill between December 4 and May 6, when second reading was completed? In that period of close to six months only nine sitting days were spent on the grain stabilization bill.

The minister in charge of the Canadian Wheat Board has threatened the opposition that he will travel all across western Canada saying how we have obstructed this bill. I hope he does, Madam Speaker, and I hope he comes into my riding of Regina-Lake Centre. I will meet him in Raymore, Nokomis, Lanigan, or any place else if he wants to talk about obstruction. If nine days spent on the bill between December 4 and May 6 is obstruction, I am a monkey's uncle.

Let me go a little further, Madam Speaker. The bill was finally sent to committee on May 6, being reported back on July 17, and the House of Commons met for another 12 days after that date. Was Bill C-41 called for debate? No way, Madam Speaker. In fact Bill C-41 was at the bottom of the government House leader's priority list, and I will call as my witnesses the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Peace River (Mr. Baldwin). In fact I will even call the government House leader as my witness.

The House continued to sit until the end of July when the government thought it was more important for MP's to have time off than to debate the grain stabilization bill which the minister in charge of the Canadian Wheat Board is claiming we are obstructing. Those poor members of parliament had to have all August and September off, and we returned here on October 14. Wasn't that nice for members of parliament to have ten weeks vacation?

● (2030)

This minister in charge of the wheat board says the opposition is obstructing this grain stabilization bill. If this measure had such high priority as claimed by the minister in charge of the Canadian Wheat Board, why did we not proceed with it sooner? The minister might get away with that idea in Cabinet or in this House of Commons but he did not say that out in western Canada. At no time did he have the nerve to claim the opposition was obstructing the bill when he was out there. If he had tried that out in Saskatchewan they would have run him out of town—they are still going to a little later anyway. He did not try that nonsense out west because the farmers out there know better. If there are any backbenchers on the Liberal side from other than the three prairie provinces who think otherwise then they should check the records of *Hansard*. Let us stop any more of this kind of nonsense from the minister in charge of the wheat board who talks about the opposition delaying and so forth.

The committee had finished with this legislation on July 17. It was bad enough that the government did not do a damned thing with the bill for the next 14 days, but then the government did not call the bill at report stage until November 27. The members returned and sat on October 14, yet the minister in charge of the wheat board is suggesting that somebody is delaying the bill. I would like to know who is delaying the bill. I think it is his colleagues who are delaying it because even some of them feel that this bill is not worth whatever is required to blow it up.

Third reading of this bill was not called until December 11 and we had only two days of debate at that time. Would hon. members opposite call two days obstruction? I would ask any one of those members opposite whether two days' debate prior to Christmas could be called obstruction. The minister in charge of the wheat board said before supper that we were obstructing the bill. Here we are, 14 months since first reading of this bill, and there have been exactly 14 days counting today that we in this House have been debating the measure, and I am not through today yet. We have had 14 days out of 14 months, yet that idiot from the Canadian Wheat Board tries to tell us we are obstructing this bill.

Some hon. Members: Order, order!

Mr. Benjamin: Madam Speaker, if I am out of order or in contempt, that is exactly what I intended.

Some hon. Members: Oh, oh!

An hon. Member: Apologize.

The Acting Speaker (Mrs. Morin): Order, please. I suggest that the hon. member confine his remarks to the bill.

Some hon. Members: Hear, hear!

Mr. Benjamin: All right, Madam Speaker, since this bill personifies the minister in charge of the Canadian Wheat Board I will consider that I am talking about the bill whenever I mention his name. In any event, let us put an end to this nonsense about obstructing the bill.

Let me turn now to a couple of items mentioned by that hon. member for Assiniboia who has such a convenient memory. He talked about farm organizations supporting and demanding that this legislation be passed, as suggested by that hon. member who took part in meetings of the committee on agriculture along with members of the Conservative party and the NDP, including the five meetings in western Canada. He knows full well that when asked about the passage of this legislation the answers of those representatives were invariably that the bill is better than nothing, it is an improvement over the situation in 1971, so let us get something passed and try to improve it later.

When that hon. member talks about the farm organizations wanting this legislation passed he should remember those facts. Quite frankly I am disappointed, unhappy, and even a little bit angry about the attitude of these farm organizations, and probably these words will not make me very popular with them, but that is a tough cookie. I can only say that those organizations gave up. I was going to say they caved in, but they did give up in their fight and I am very sad that these organizations in their anxiety to get some kind of income stabilization should ask that this legislation be passed. I am saddened that they gave tacit, if not implicit approval to this measure which will give most of the money to the rich and the least to the poor grain producers. Even my best friends in the Saskatchewan Federation of Agriculture, the Saskatchewan Wheat Pool and the Saskatchewan Farmers' Organization do not want legislation that will operate in this way. Whenever any parliament, any government or any political party passes legislation, holding it up as the ideal and final things for the farmer, you can be sure that is nothing more than misrepresentation and lying.

This legislation provides that when there is a pay-out from the funds the grain producers who have contributed the most will receive the largest pay-outs. I would ask my hon. friends opposite if they think that is the moral thing. I would ask the hon. member for Assiniboia, the hon. member for Battleford-Kindersley, and the minister in charge of the Canadian Wheat Board if this is the kind of legislation they consider to be fair and decent.

The hon. member for Yorkton-Melville (Mr. Nystrom) pointed out today that if you applied the methodology of this legislation to the medicare program you get the same size or a larger payment for a hangnail operation by an expensive doctor as for the person who had open heart surgery. This would also apply in the same way to unemployment insurance. If I worked full time and had been contributing to unemployment insurance all along then I would get the largest pay-out from the fund. Is that logical, civil, or even moral?

In my opening remarks I suggested that this legislation was immoral in principle. It is certainly immoral in principle and is unworkable in practice. If this is what you Liberals want, God bless you, you are welcome to it. I do not intend to stand or sit here and listen to the minister in charge of the wheat board, the hon. member for Assiniboia, or anybody else talk about obstruction and delay by members of the opposition.

I recognize that there are at least three members on the government side who are committed to the bill because they believe in it. All I ask them to accept is the fact that members of the opposition oppose this bill because they believe it is bad legislation. The minister in charge of the wheat board talked about political opportunism. I recognize and admire the abilities of the minister and I respect him for his beliefs. He is committed to this bill and is working on its behalf. I do not object to that. Rather, I respect him for his belief and his determination. I only ask that he in turn respect the beliefs of members in the opposition. We have moved an amendment on third reading and we intend to move two more, or even three if necessary.

An hon. Member: Obstruction!

Mr. Benjamin: I invite the hon. member who shouts obstruction to take part in the debate. I will sic the hon. member for Timiskaming (Mr. Peters) after him, and then he and others on that side can sit and bleed all over the floor. Madam Speaker, any legislation that gives money to the well-to-do and deprives those who are not well-to-do has to be fundamentally wrong.

● (2040)

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but the time allotted to him has now expired.

Some hon. Members: Continue.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): There is not agreement. The hon. member cannot continue.

Mr. Doug Neil (Moose Jaw): Madam Speaker, I shall be very brief in my remarks, but I could not let the remarks of the minister in charge of the Canadian Wheat Board (Mr. Lang) go unchallenged. Before supper he said that this is an historic piece of legislation. There is no question about that. History records the good and the bad. It remains to be seen whether this piece of legislation is good or bad.

On this side of the House we realize that a number of farm organizations recently have been calling for the passage of this legislation. As Conservatives we are in favour of stabilization, but we are in favour of an individual program as are the organizations and individuals who gave evidence at the committee hearings as the agricultural committee travelled across western Canada.

The minister suggested that the members of the opposition have been instrumental in delaying this piece of legislation.

An hon. Member: Balderdash.

Mr. Neil: The hon. member for Regina-Lake Centre (Mr. Benjamin) recited in some detail the dates on which the legislation was presented to the House at its various stages. He indicated it was first presented to the House on December 4, 1974, over a year ago. It did not see the light of day again for second reading until April 28, 1975. It did not come up for third reading until December 11 of 1975, more than a year after it was first presented. Surely no one can say the members of the opposition parties have been instrumental in delaying this piece of legislation because it is the government alone which decides when and if a particular piece of legislation will be brought before us for consideration.

We, as opposition members, have a responsibility to see that the legislation presented before parliament is good legislation. We have attempted to do this not only at second reading but in committee and at third reading. During the hearings of the committee we presented alternatives to the government. We have done the same thing at third reading, but unfortunately the minister in charge of the Canadian Wheat Board has not seen fit to accept the proposals we have put to him.

During the recess I had occasion to travel through my constituency and speak to a good many farmers. Without exception these farmers feel that a proper and adequate stabilization program should be an individual program. It would take very little work, I suggest, for the government to bring in changes to this bill which would make it a bill that would benefit individuals, and make pay-outs to individuals based on their net income rather than based on the total net income of the Canadian Wheat Board.

[Mr. Benjamin.]

I said a moment ago it is the responsibility of the opposition to attempt to improve legislation. We gave the government the opportunity to do so both in committee and at the third reading stage. The government did not choose to accept our suggestions. The government now has another opportunity to make amendments to this bill so that it will be more workable and more satisfactory for the producers of western Canada. That opportunity is now, by referring the bill back to the committee for reconsideration. On this basis the members of this party are prepared to support the motion of the NDP.

Mr. Lorne Nystrom (Yorkton-Melville): I rise for one reason, Madam Speaker, which is that the minister in charge of the Canadian Wheat Board (Mr. Lang) had some pretty harsh words to say in this House against the members of the opposition because the hon. member for Brant (Mr. Blackburn) moved an amendment, and he said that we were deliberately filibustering the bill which is before us today. I had no intention of getting on my feet again but I must take a few moments to refute that statement.

This bill has been before the House, including today, on only 14 different days. If one checks back through the record one will find that some of those 14 days were not spent in their entirety in debate on this bill. I think it is unfair that the minister in charge of the Canadian Wheat Board should make accusations like he did and have them go unanswered.

Members of the opposition believe this is a very important bill for western farmers. It affects tens of thousands of families in the west, as well as many thousands of other people who depend on the production of food. If we cannot have 14 days of debate on this bill, I ask when can we have 14 days of debate in this House? Those 14 days include second reading, the report stage, and now the third reading stage. If we cannot have 14 days of debate on this bill, I ask what is wrong with our parliamentary democracy?

There were many amendments moved in respect of this bill. There were amendments brought in by the minister. Some time was spent on consideration of those amendments. We did not complain about that. I wish to register my objection to the statements the minister made between ten minutes to six and six o'clock this evening. I want to put very clearly on the record the facts, and show that the minister was not too anxious to expedite this bill through the House.

Bill C-41 was given first reading on December 4, 1974. Second reading was not called until April 28, 1975. That was almost five months later. The minister was not in an extreme hurry to get the bill through the House. There was not any obstruction then. We wanted the bill called. Opposition members asked the minister to call the bill. It was not called. It was not urgent in the view of this minister or of the government house leader. How the devil can he have the nerve to stand up in the House today and criticize us for moving one amendment, an amendment moved with sincerity by an hon. member who is concerned about this bill and the effect it will have on western farmers and, in the case of the hon. member for Brant (Mr. Blackburn), on people in his riding who manufacture farm machinery?

● (2050)

This bill was debated for nine days or parts thereof at second reading stage. It was sent to the committee May 6, 1975, and reported back to the House July 17, 1975. It was not called for report stage until November 27 despite the fact it was reported back here on July 17. We are looking at about four or five months before this bill was called by the government. How can the minister legitimately level a charge at us for delaying the bill? I would like him to say that in my riding. I invite him to my constituency to debate that issue any time, anywhere—at his choosing—or on any open line show in the province of Saskatchewan.

I am replying directly to the points made by the minister in charge of the Canadian Wheat Board. Report stage debate took place and only lasted two days. That is not excessive. I have been in this House seven and a half years, and I have seen many report stage amendment debates lasting longer than two days on business much less significant than the bill with which we are dealing in the House today. It may have a drastic effect on the farmers of western Canada.

The minister did not see fit to have his House leader call this bill for third reading until December 11. At that time we spent only two days debating the bill. Let us not forget it was reported back to the House on July 17 and took that long before we were able to deal with it at third reading. Parliament sat until about December 20, just before Christmas. I know this bill was a low priority and sat at the bottom of the priority list on more than one occasion. I know this from talking to our house leader who has conversations with the government house leader. Now it is back again. This is the fourteenth day, and if the government is interested in expediting the passage of this bill the minister should not make statements which are totally untrue and unfair. If he wishes to do that, why the devil is he not in the House to hear some of our replies?

Some hon. Members: Hear, hear!

Mr. Nystrom: I had no intention of getting up and speaking again in this House tonight, but when a minister makes a statement like the one he made it has to be replied to so that people can see the facts as they are, and so they will realize it is not a filibuster by the opposition but that it is opposition members who are genuinely trying to get answers from a government and from a minister who does not really care.

Mr. Gordon Towers (Red Deer): Madam Speaker, the only pleasant part of this debate is seeing you in the chair.

Some hon. Members: Hear, hear!

Mr. Towers: The parliamentary secretary to the minister in charge of the wheat board brought attention to a fact we have been focusing on throughout the extended period of the debate on this bill, and that is the cost of administration. He related that to crop insurance costs in the separate provinces, and I would venture to say that if he stays in this House of Commons long enough he will see the day when he will eat the words which he used this afternoon—that this program will only cost $11 or $12 per farm.

I remember the debate we had in this House when a former minister of finance started the Department of Consumer and Corporate Affairs. At that time it was stated that it would cost approximately $10 million. I think it is now up to the $40 million or $50 million bracket. So it goes with government bureaucracy, and I think those costs can be related to the cost of the administration of this bill. Then certainly there will be a closing of the gap between the costs of these two programs. I suggest that this $11 or $12 cost per farm will increase drastically over the next two to five years.

In discussing this with crop insurance representatives I find that they are ready and willing to undertake the administration of this program. If we are interested in trying to save the government money, and as a result the taxpayers of Canada, then it seems logical that this program definitely should be operated by the crop insurance commissions because they have their head offices in the three prairie provinces. In addition, in each of these provinces there are district offices established. I do not know just how many district offices there are in the province of Saskatchewan, but I know that in the province of Alberta there are 52 district offices. It seems to me that whatever governmental proceedings have to take place could take place and be controlled out of those offices.

Further, in view of the fact that in a great many cases elevator agents collect for the crop insurance program, so could these same government agencies collect for the stabilization bill, which has to be done. However, there is one significant difference—the crop insurance commissions pay those elevator agents for collecting those fees, but there is no provision in this bill for any payment whatsoever to the elevator agents.

I think that it will not be too far into the future when elevator agents will ask to be reimbursed for this extra work, and rightly so. I think they should be. There is a certain amount of responsibility associated with the collection of this money, especially when public funds are being dealt with. If the government really wants to be fair and wants to operate the plan the way the majority of the producers would like to have it operated, then I am satisfied this is the way this program should be administered, instead of setting up another head office. This would do away with much confusion, and it would help a great deal in communication between the two bodies. As the crop insurance inspectors go out into the country they could do the same work as the inspectors under the grain stabilization plan. There will be a duplication of effort and cost, and for what purpose? It is just so one man, the minister in charge of the Canadian Wheat Board, can control his empire in western Canada. I do not find that acceptable. I have not from the start, and I wish we could have had some support from the other side of the House in breaking this down.

Let us act in a sensible manner in order that this program can be put in place so that it will do justice to the producers of western Canada and, as a result, to every taxpayer in Canada. After all, taxpayers do have a part in this. They contribute a portion to this program.

I feel that the minister has been unfair. He is not acting wisely. Before this bill becomes law I hope he will give it a second thought, and give the crop insurance commissions

the authority to administer the bill. Then certainly I for one would be much happier than I am at the present time.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Madam Speaker, I welcome the opportunity to speak on this bill tonight because of the amendment moved by the hon. member for Brant (Mr. Blackburn) this afternoon. I heard my colleagues and members of the official opposition speak of their surprise at the unfairness of the Minister of Transport (Mr. Lang) in the remarks he made this afternoon. Madam Speaker, I am surprised that anybody is surprised about that. He has been making these same kinds of remarks on the same subject for the past four or five years. It is his pet position.

● (2100)

I appreciated the speech of the hon. member for Assiniboia (Mr. Goodale) this afternoon. I consider him to be a very competent young member—misguided, but competent. For a long time I thought that the Minister of Transport wrote his speeches but I have come to the conclusion that it probably works the other way. And I would advise the Minister of Transport to use the speeches that somebody else prepares for him because he does not add to his stature at all by the remarks he made this afternoon.

This is an important piece of legislation, Madam Speaker. It is important for us to look at the question of stabilizing the price of grain, and for the minister to criticize members who feel there should be a different way of providing that stabilization seems to me to be arrogant—a Prussian like attitude. It is not in keeping with the objects of a minister who avows that his interest is in providing a reasonable living for the farmers.

I listened very carefully to the hon. member for Assiniboia; incidentally I think he should be the minister in charge of the wheat board if it is to be separated from the Department of Agriculture. This is probably one occasion when I would support the idea of a second minister in a department. Agricultural stabilization certainly does not belong with Transport; it should come under the Department of Agriculture. There would be some merit in having the hon. member for Assiniboia handle this particular legislation. I say that because his remarks showed his knowledge of the vast detail in this bill, and his understanding that there probably can be a difference of opinion as to how the legislation will apply, and why there is a philosophical difference amongst members on how stabilization should be operated.

In moving the amendment today to refer this bill back to committee for further study my colleagues are talking about two separate things. One is a disagreement that we have in relation to the cost of production figures which are allowed under the bill. They do not allow a number of inputs that are in the agricultural stabilization bill which was introduced last year by the Minister of Agriculture (Mr. Whelan). They do not allow interest or premiums paid out through the grain stabilization bill, nor do they allow for the normal depreciation that is considered as part of the normal cost of production.

Those members on the government side who are on the agricultural committee would be well advised to remember

[Mr. Towers.]

the discussion we had last year on marketing legislation covering various foods and the allowances made for input costs of eggs as opposed to milk. In each case a different formula was being used, and in fact the formula is different from one province to another in many cases.

What we are suggesting is that the formula is spelled out in such detail that it would take a mathematician to understand it. I should like to know where the hon. member for Assiniboia got these three people who were going out to advise the farmers who phoned in with questions how much they would be allowed under certain circumstances after they knew their net proceeds of the previous year. I do not think you would get that kind of answer from the income tax people who were involved in the cost factors that go into the net return versus the gross return and the allowable costs in those returns. I think it would be very difficult to take the figures and tables in this bill and relate them to specific cases.

If we agreed with the first proposition that everything is spelled out and that they are correct, the hon. member for Assiniboia would still have difficulty applying that argument to the second proposition we referred back to the committee. That proposition is that the individual decision will be made in terms of clauses 9, 10 and 11 which take the western area and put it into one area, and which say that under certain circumstances everybody in that area is going to get a payment.

The hon. member for Regina-Lake Centre (Mr. Benjamin) made the point that if this applied in any other universal program where it involved those who were in need and those who were not, there would be considerable complaint from those with less left wing tendencies than from some of us because of the unfairness of the program. It was pointed out that if you had a year in which the criteria were met and the pay-out was made on a broad basis covering a large number of areas—and it is a fact that areas in western Canada have not consistently produced the same ratio of crops as has another area, either in grades or quantities—you would find some people who had a bumper crop being paid out according to their contribution in the same manner as those who had very bad crops for several years. Even if the latter were in a majority and had made little contribution to the program, their benefits coming out of it would be small.

I know that is difficult to understand, Madam Speaker, and I know the farmers are having difficulty understanding it because nobody could be that stupid—except the Minister of Transport. No one else could be that stupid. They would know, because they would talk to the farmers, that crops failures through weather, pestilence, loss of markets or any other consideration that a farmer faces, do not happen uniformly over the three prairie provinces. They do not happen uniformly in one prairie province. I do not come from the prairie provinces but I dare say in each there are at least five zones with totally different weather conditions, different growth, different production abilities, and a number of other factors about which I know nothing.

● (2110)

I know that different factors must be considered, that farmers can get more for Durum wheat than for some other kinds, and that people in the Palliser triangle grow No. 1

Northern which is as good as or even better than any wheat grown on the prairies. I know this, and I do not come from the prairies; but the Minister of Transport does not know it, obviously, since he has not provided for this legislation to be applied in different zones.

We are not only asking for the legislation to be applied in zones; we want it applied on an individual basis. We are concerned about the farmers. As for the minister, he has been in his ivory law tower teaching law to people in Saskatchewan. In Saskatchewan they must have produced some lousy lawyers. If he is as bad at law as he is at agriculture, he must be a really bad lawyer. I feel sorry for the people he taught at university.

Every western member who is the least bit honest will admit that there have been crop disasters, but the crop failure has often affected people in one half of a township and not in the other half. Sometimes in one half of a township hail will totally destroy a crop, but the crop in the other part of the township will be unaffected. That is how the good Lord works. He does not always hail out an entire township. But the Minister of Transport thinks that if there is hail in western Canada, it will hail all across the three prairie provinces and that there will be a total disaster in the entire area. He does not realize that it could hail in one half of a township, or in Assiniboia, and not hail at all in an adjacent riding—perhaps because the people of Assiniboia voted differently in the past. But political considerations do not influence the Lord overmuch. When there is a natural disaster, there is no easy way to decide boundaries.

In the committee we suggested boundaries on an individual basis. The minister said no. We suggested township boundaries. The minister said no. Then we suggested that there should be zones within the provinces. Again he said no. In the end we suggested boundaries involving at least the five areas under Wheat Board jurisdiction, which will include the three prairie provinces, part of British Columbia, and part of Ontario, which should be given consideration. But the minister said no, the area of jurisdiction had to be all prairie provinces as one unit.

I suggest that the hon. member for Assiniboia must have spent an awfully long time in school, or somewhere else, because if he had talked to farmers instead of lecturing them he would have discovered that there is a need to break down jurisdictional areas into small parcels if you are to make reasonable and economical payments. As the bill now stands, if the entire crop of the Palliser area is destroyed, say, or there is no market for No. 1 Northern and the whole area suffers a net loss, the result could be large payments to people who had a large income and small payments to people who made a small income.

We have been considering stabilization for some time. Ever since coming here the minister has tried to sell the idea of stabilization, but he knows little about it. His officials know little about it, too. When the committee late last year discussed the agricultural stabilization legislation, it suggested a number of changes. Actually I proposed one motion. We suggested that grains now coming under Canadian Wheat Board jurisdiction should be included as named commodities under the agricultural stabilization bill. We could treat such grains in the same way as we are to treat eight or nine, I think, other commodities. Doing it this way would mean that we should consider the production of each individual farmer; individual loss of income would be readily discernible, on the basis of which we could make a payment with the help of a subsidy from the federal government.

Obviously the minister relies on the long-term cycles affecting the production of cereal grains. In the near future we can expect reasonably good crops. Really, we need only worry about price on the international and domestic markets, so that the minister is not anticipating a pay-out in the immediate future. Actually if this program had been in force for some time, the last sizable pay-out would have taken place in 1962. True, grain prices were depressed that year, but production costs were not as high as at present. This program could be in existence for some time before conditions arise leading to a pay-out.

More than any other minister, the Minister of Transport has built up his own civil service. It is not our civil service, Mr. Speaker; it is his. He reminds me of Jimmy Gardiner, when Jimmy Gardiner was still a household word. Mr. Gardiner built up an empire including inspectors of diseased sheep and inspectors of just about everything else. I mention the sheep, because he was caught on that matter. The people working for him did not work for the government. They were order in council appointees.

How many civil servants will administer this program? The hon. member for Assiniboia suggested that it will be a few. The program will not involve large administrative costs. That may be so, because the Minister of Transport already has working for him a whole lot of order in council appointees. I am sure he will use the people of the grains group, of the transport study group, of the grains council, and PFAA appointees. All these are the minister's Liberal appointees, part of his machine.

● (2120)

We do not expect it will change anything. However, I disagree with the hon. member for Assiniboia who said it will not cost the farmers or the people of Canada. Jimmy Gardiner's machine cost the farmers a great deal. It could not always be calculated. Even though you could not add it all up, it cost a lot. There is no question about that. It would be interesting to hear from some of the old farmers how much it cost them.

These new appointments, even though they are supposed to work for no pay, will cost the farmers a lot. They are so-called dollar a year men. I read Peter Newman's book about a dollar a year man. I would like to go to the right fishing club. I would not mind working for a dollar a year because the expense accounts are so good. Even though the salaries of these men are very low, the expenses are high.

If the government continues to pass this kind of stupid legislation, there will not be any Liberal members from Saskatchewan.

I was interested in hearing the Minister of Transport talk about his new friends in Unifarm. That is a right wing organization. There is no doubt about that. However, I am not sure they are right enough for the Minister of Transport. I am sure there will be a lot of progressives in that organization who will not be influenced.

I am aware that the minister spoke to that organization. He was the guest speaker. They probably were polite. Farm people usually are. If you appear to be totally out of the ball park, they just smile and say, poor boy. They do not push it any farther. However, I am sure they did not buy.

This raises another interesting point. We filibustered on the original grain stabilization bill long enough for the courts to get into the act and stop the minister from cheating. That filibuster saved the farmers many millions of dollars. I think an accurate guess would be $400 million to $500 million was saved by killing the original bill. Right away that year we saved them over $100 million. What the people thought about that stabilization bill was certainly reflected in the election at that time. Some farmers were so mad that they took the government to court. I believe the matter was settled out of court. It was certainly dropped.

The government was cheating by not making the $15 million payment the law said it had to make. The minister wanted to get that through right away. He introduced retroactive legislation to cover the illegality. We held it up by filibustering. We make no apology. We filibustered until the court was able to make a decision. When the minister knew what the court's decision was going to be, the bill was withdrawn and there was no more talk about it.

I am sure that almost everyone in this House supports income stabilization. However, it must be an honest stabilization. We want it to be related to the costs of production. I agree that it will involve quotas and the government having to sell what is produced. It will involve producing as much as possible on the acreage that is allowed. The farmer will agree to do that in the most efficient manner at the lowest cost. He has already agreed to it with regard to a number of other commodities under the stabilization act.

This is a new field. One type of agriculture is being separated from the other areas of agriculture and is being placed under the Department of Transport. The former Minister of Transport should not be offended because this is really not part of the transport field. It is just that the minister responsible for the wheat board now happens to be Minister of Transport.

Mr. Benjamin: I wish Marchand had the wheat board.

Mr. Peters: We would rather that anybody else had it instead of having the wheat board follow one minister around. In many ways it is fortunate that there are only three Liberals elected in that province. As I said before, I would rather the wheat board were handled by an associated minister than traipsing around on somebody's caboose where it is being bumped around in a way that it does not deserve.

We are all interested in stabilizing agriculture, but it must be done fairly. It must be the kind of program the individual farmer can afford. It should be related to a number of other programs that we now have, one of which is the agricultural products stabilization board. It has a set of criteria that has worked satisfactorily for the past 20 years. It has its ups and downs but it works relatively well. There are many commodities that producers would like under the Agricultural Stabilization Act. I believe it could apply to grains produced in the prairie provinces as it now applies to wheat produced in Ontario.

There is nothing wrong with the Minister of Agriculture (Mr. Whelan) having some responsibility for wheat. However, I do not understand why he is not supposed to have anything to do with western wheat.

Production costs differ in various parts of the prairies. Input costs, wheather conditions, soil conditions and production costs per acre differ. There should be an allowance for those differences. That is being taken into consideration in the farm crop insurance programs in which the provinces are involved.

Part of this program is a bastardization of the agricultural products marketing legislation and the crop insurance program. It is neither fish nor fowl in terms of insurance or marketing legislation. Before the farmers start making large demands on this program we must be sure that it is the type of program they can live with and is one that will bring some form of income stabilization to western Canada over a long period of time. Any other type of program is only for the political ego of the minister who introduced it.

The minister has not particularly tried to sell this program. There are very few farmers in favour of it and very few opposed to it. They are not opposed for a very simple reason. Initially the minister allowed them to check out of the program. If they go back into the program they can check out for the second time, but not get into it on any additional occasion. They can really check out of the program twice. For this reason no one is particularly opposed to it. However, we are going to spend money on it. I do not care how much money we shall spend on administration. I do not care how much money the minister will require to provide staff in the various agencies under his control to administer this scheme.

● (2130)

Whatever the costs of administration may be, the country as a whole has an interest in this program. Even if no farmers decide to participate there will still be the cost of administration, and I think hon. members would be very foolish to pass a piece of legislation which farmers do not desire to be passed. I have received no letters in the past two years either in support of this program or against it. Hon. members may suggest that I get no letters on the subject because I do not come from Western Canada. May I say, though that I got hundreds of letters about the previous piece of legislation, Bill C-171, in opposition to that particular measure.

It is important that legislation should be either opposed or supported by those it will affect, and there is no evidence of any support for or opposition to this legislation. Thus it seems to me we have failed to provide legislation which will achieve any reasonable result in terms of ensuring a guaranteed income for western farmers.

Western farmers are not particularly interested in insuring against disaster this year. They are not interested because they have already had a good crop. They have had a series of good crops. They have been able to buy new machines, including heavy machinery which enables them to cut down labour costs. They will be paying for those machines for the next eight or ten years, and so long as they receive a reasonable price for their grain and can grow a reasonable grade they will not be complaining very much.

I believe the minister now responsible for the wheat board had a personal interest in this legislation which is not in keeping with the opinion expressed this afternoon by the hon. member for Assiniboia who believes sincerely though incorrectly, that this type of legislation is good for the farmers in his area. I suggest that if it is good for the farmers in his area where they are farming light land and grow very good crops in good years, though in other years they may well encounter difficulties, they might find that the same program will not apply in northern Saskatchewan. If he knows this he should consider referring the bill back to the committee to give members a chance to consider regionalization for a second time.

Mr. Deputy Speaker: Order.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, while we are dealing tonight with western grain, more particularly with western wheat, we are dealing with an export commodity, a commodity which is traded internationally on a global basis.

I believe there is something happening out there in the world of which the government is not aware. For the first time in the history of the grain trade all the components are in the system on a world-wide basis. China and Russia are now regular purchasers. Every country has apparently made a decision not to allow its people to starve. So, for the first time, all the components are in the system on a world-wide basis.

Surely before we get into a complicated scheme such as this which is before us tonight, we should have answers to some simple questions. For instance, I have tried to find out from the government how much it costs to produce a bushel of wheat and I cannot get an answer. The government has no figures showing how one deals with the cost of land. I heard the hon. member for Assiniboia (Mr. Goodale) talk about the great record of achievement of the present minister in charge of the wheat board. Look at the government's own figures. According to the Wheat Review we find that the peak export year for Canadian wheat and wheat flour was 1962-63 when the figure was 594 million bushels. In 1972-73, ten years later, we exported 575 million bushels. This year, up until January 14, exports of wheat and Durum combined amounted to 216.1 million bushels. If everything goes well for the balance of the crop year exports of wheat and wheat flour may reach 450 million bushels, which is a far cry from the almost 600 million bushels we exported back in 1962-63.

What about our competitors? What about our great neighbour to the south? Exports of wheat and feed grain from the United States are constantly rising while Canadian exports are declining. Here are some figures. In 1963-64, a good year for Canada, we exported 15 million metric tons. In 1972-73 we exported 15.6 million metric tons. In 1974-75 the figure was 11.2 million metric tons and the projection for next year is 13 million metric tons. Compare these figures with those of our chief competitor, the United States—23 million metric tons in 1963-64, 31.8 million in 72-73, and 28 million in 1974-75. The projection for next year is 36.5 million metric tons.

What is the world import situation? In the year 1963-64, total imports amounted to 57.4 million metric tons. For the present year they are estimated to be 75.8 million metric tons. Trade in wheat and wheat flour is continuously increasing, yet our exports are likely to be far below the figure of 1963-64.

There is no question that if this bill passes Canada will be subsidizing wheat production in Western Canada. The hon. member for Assiniboia, appearing before the Senate Committee on Agriculture on December 16, had this to say:

> MR. GOODALE: For last year, just to put a figure on it, had the plan been in place—and this involves some presumptions about participation, crop volumes, prices and this sort of thing—the federal payment into the stabilization fund would have been something in the order of $90 million.

It is obvious to me that if Canada continues to follow the route of stabilization subsidy programs it will lead to an ever-increasing border limitation problem with the United States and the European Economic Community. What we need are long term contracts such as our competitors are entering into with Poland, Russia, and Japan—three and five year contracts. Maybe we should be devoting more attention to setting up a national food bank in this country. I suggest we should spend a little more on market promotion.

● (2140)

It bothers me that this year Canada is going to end up with about a $5 billion trade deficit. Grain exports from this country alone bring in some $3 billion of foreign exchange, and the government wants to tamper with this. I close by saying that with this bill I think we are walking down an unknown road.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I should like to make a few brief remarks in support of the main motion to give the bill third reading and at the same time to oppose the amendment for a six months' hoist.

Mr. Benjamin: No, it is not that. Read the amendment.

Mr. McIsaac: Well, referral back to committee is the same difference, be it four months or six months.

Mr. Benjamin: It would only take one day to do it.

Mr. McIsaac: It is another delay and obstruction move on the part of my hon. friends opposite. I can only conclude that my hon. friends opposite in the NDP have not been reading their mail that well lately. They cannot use the mail strike as an excuse this time. The Saskatchewan Wheat Pool board of directors had a meeting just prior to the House adjourning for Christmas and urged that all of us collectively as MPs get on with the job of passing this legislation and putting it into place by January 1, 1976.

Mr. Benjamin: We will buy that.

Mr. McIsaac: Again earlier this month the Manitoba Farm Bureau—I am not talking of the Palliser wheat group mentioned by some hon. members opposite but the Western Agricultural Conference and the groups that they represent, a very broad representative group of grain producers—sent a telegram to the government, the minister, and to the Leader of the Official Opposition (Mr. Stanfield), and I suspect hon. members of the NDP as well,

urging members of parliament to get busy and pass this legislation.

I do not mind at all giving my hon. friends opposite all the time they require to debate this legislation. Over the years I have been listening to the same old arguments being put forward by my hon. friend from Regina-Lake Centre, the very same arguments he used when he was an organizer in the province of Saskatchewan.

Mr. Benjamin: It seems they were successful anyway.

Mr. McIsaac: I would have expected from him more up-to-date arguments, such as those just put forward by the hon. member for Swift Current-Maple Creek (Mr. Hamilton). His suggestions were at least new and looked to the future. In moving this amendment this evening I think members of the NDP really wanted another chance to villify the minister in charge of the Canadian Wheat Board. That has really been the gist of their speeches so far. They have put forward no reason for deferring the legislation by referring it back to committee. They continue to heap abuse upon the minister in charge of the Canadian Wheat Board. I do not blame the NDP for finding some excuse for getting up and talking about farm policy because they really do not have a farm policy other than to villify and to criticize the minister. That has been their policy for some time, and again they are making the same old speeches.

It has been interesting to listen to some of the arguments that have been put forward. Some good arguments have been made and they have not all been a waste of time. Some good valid objections have been put forward as well as some very invalid objections. In general we have had a long, protracted debate since the bill was brought in, but the debate has been productive.

This bill, or a version of it, has been before the House and western farmers for almost five years, yet we still hear members opposite saying that perhaps we would move more slowly, that perhaps we should reconsider it. But again, no real alternative as to whom else we should consult and where else we should inquire has been put forward.

In all the time we have debated the bill and this whole concept of stabilization it took the official opposition, the Conservative party opposite, until December 11, 1975, before it came forward with any sort of concrete counter proposal to this concept of grain stabilization. On that date a definite suggestion was put forward by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), supported by other speakers from that party.

As I say, Mr. Speaker, some real concerns have been raised and I think resolved in this debate. I think we have improved the legislation. The hon. member for Timiskaming (Mr. Peters) said he had not had any mail about this subject for the last two years. Although it is good for Canada that current grain prices are high and markets are good, perhaps part of the difficulty felt by all members of the House in trying to have a comprehensive debate on this issue is that the farmers do not really want to think about the day when grain markets and prices are not as good as they are today. But in the meantime I think they do want this House of Commons to proceed with putting in place some kind of fund or program to cushion the day—if and when it comes; we all hope it will not even though the course of history indicates it is likely to—when things are not so rosy.

The opposition did not like this particular plan. It seems to me that all we heard in the early stages of this debate was that we need a plan but not this one. We talked to farm groups and all were careful to support the principle of stabilization without specifically criticizing what was wrong with this plan, and more particularly without any firm proposal of their own being made until just before Christmas when, after some four or five years, the Conservative party put forward a kind of individual plan. If I had a criticism to make of it, their plan is a great deal more complicated than the one in this bill, and one criticism of this bill has been that its terms are too complicated and detailed.

The NDP—and I give them credit for this—did put forward an alternative, albeit a fairly simple one and a very expensive one. They suggested a fully guaranteed income for all farmers, whether they be grain farmers or some other kind of farmer, whether the farmers needed or deserved it, whether they were good producers, tried hard or made good judgments, or otherwise.

The fact of the matter is that if they had talked to producers in the prairie region, certainly to the grain growers, they would have discovered that even the supporters of the NDP do not want this kind of plan. They may be socialists in other respects and for other reasons, but they do not want the kind of plan that will bonus everyone regardless of whether they do a good job or a poor job of farming. Such a proposal for solving the problems of the grain farmer would not get support.

I do not suggest that the plan embodied in Bill C-41 is perfect. I suspect we will be considering amendments to it once the plan is in operation. But we do need the plan in place. I suggest that opposition delays in the past year have cost the western grain producers millions of dollars because the fund was not in place and building itself up toward the day when that particular plan was in operation.

Mr. Peters: Your own minister delayed the bill, and you know it.

Mr. McIsaac: I want to deal with some of the points that have been put forward in this debate. Who wants it? I think we have settled that particular question. All political parties and farm groups are almost unanimous that we do need an income plan of this kind. Although people have expressed concern and criticized this particular bill and some of its complexities, at least they are all there, written into the legislation. It is all there written in, and is not subject to the vagaries of orders in council or changes in that respect.

● (2150)

The program does not provide for pay-outs to the larger grain producers. Some implication was expressed by the hon. member for Yorkton-Melville (Mr. Nystrom) about the 2 per cent for everybody which would be taken out, but the larger producers would not get larger payments because there is that limit to 2 per cent of sales up to a value of $25,000. It may be, of course, that the limit should

be raised, but it certainly will not let someone with $100,000 in sales draw out large payments.

Mr. Benjamin: That is a minor detail.

Mr. McIsaac: I do not think it is a minor detail, but it is rather ridiculous to compare this to the unemployment insurance program, medicare, or anything else of that kind.

I have one criticism of the legislation in that it excludes the feed grain producer who chooses to feed his grain to his own livestock. If a barley producer markets his grain to another feed lot, sells it to a feed mill or to the Canadian Wheat Board for export or shipment to eastern Canada and hauls it to the elevator for that reason, he can contribute to the plan and be a part of it, and thereby draw benefits. On the other hand, if that feed grain producer feeds his own livestock he is not able to participate. It seems to me this is an omission in this legislation.

The theory is, of course, that such a producer will be able to benefit from livestock stabilization programs. That might be the fact, but I do not see that we should deny him the right to be a participant in this particular program, because he is a grain producer just the same as the other chap who grows barley and sells it to the Canadian Wheat Board.

I am satisfied that before very long we will again have to bring in some amendments to this legislation, particularly after it gets into operation and we hear from the producers themselves. I think it was the hon. member for Moose Jaw (Mr. Neil) who spoke earlier in the debate about the delays in getting this bill into place. It is not to the credit of members opposite that this legislation is going forward at all. They have stalled and played games for many months in spite of the recitations of dates and so on that we have heard from members here tonight.

Nothing has been said about the many amendments and changes we were able to implement in response to some criticisms opposite and some suggestions both in the committee and at the report stage here in the House.

One other point that keeps coming back into the debate from hon. members of the NDP and the Conservative opposition relates to the number of people who will be employed to handle this legislation. That is a nonsense argument and is not borne out by the facts. Indeed time will demonstrate that this is one of the more phoney arguments they have put forward.

Another suggestion I have heard put forward by members opposite is that this program will destroy the crop insurance program, or somehow jeopardize crop insurance.

An hon. Member: Who said that?

Mr. McIsaac: I certainly can check back through the speeches, as I am sure the hon. member could, to find out who made that suggestion. In no way will this program jeopardize the crop insurance program. This program is complementary to the crop insurance program.

Any comparisons made between this program in Bill C-41 and the PFAA are not valid either, because this program will hopefully do a better and better job than the PFAA. This program is not in any way comparable to PFAA.

This brings me to the one point raised by hon. members opposite about what we do about the differences in regions. That is a good and valid question. The proposal put forward by the Conservatives would really mean that we are going to ask the government to set up individual retirement plans or bank accounts for individual producers. I find that surprising coming from the Conservative party. Surely there are enough provisions in other programs and in income tax provisions for the farmers to go ahead and make their own plans in that regard. Really this proposal put forward by the Conservative party as a counter proposal to this legislation would see the government setting up individual funds for each of these grain producers. If the producer did not use the fund during his life time he could then sort of retire on it.

On the one hand hon. members in the opposition do not want the government to spend more money, but on the other hand they say we should set up these little retirement funds. I do not think this plan will stand up in any way. Their proposal has no way of triggering payments in order to do the job intended to be done by Bill C-41, that is, stabilizing over-all grain income whenever that income is low.

This is one more of a number of proposals and policies which have been implemented by the minister in charge of the Canadian Wheat Board. I could talk about setting up the grains group. I do not know why members opposite are particularly critical about that, because this certainly set up people in several departments to look into and highlight the grain industry, with the many good results that have come from that. I could also refer to the good job in sales that is being done by the Wheat Board. The national feed grains policy has provided a major improvement in the disorderly marketing situation we had before.

I would agree that no such scheme as we are debating here tonight in Bill C-41 is going to replace good marketing or good marketing practices. Nor is it going to replace good farm practices or good farm management practices. In this respect I certainly agree with earlier remarks of the hon. member for Swift Current-Maple Creek. The best kind of plan is one that involves a minimum of government intervention and government interference, and leaves the operations of the farmers to their own choices. I think this plan does that and I urge all hon. members to support it, and to reject the amendment.

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

Some hon. Members: Question.

An hon. Member: Ten o'clock.

Mr. Deputy Speaker: The question is on the amendment moved by the hon. member for Brant (Mr. Blackburn). Is it the pleasure of the House to adopt the said amendment.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Macdonald (Rosedale): On a point of order, Mr. Speaker, there has been some discussion and I think we have found general agreement to defer the vote on this matter to the first item of business under government orders tomorrow.

Mr. Baker (Grenville-Carleton): There certainly has been an agreement to defer the vote, Mr. Speaker, but my understanding of the agreement was that it would be taken tomorrow in the evening. I think there was a general agreement that the vote could be taken at eight o'clock tomorrow evening if we get that far.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Grenville-Carleton (Mr. Baker) has stated the agreement as I understood it, namely, that if the vote were called this evening it would not be taken now but deferred until tomorrow evening, not tomorrow afternoon.

Mr. Macdonald (Rosedale): That is not as it was communicated to me here by my colleague, but if that is to be the agreement of the House it is acceptable to me.

● (2200)

Mr. Deputy Speaker: Order, please. I think it would be easier is we had agreement in respect of time. Would eight o'clock be the time selected by hon. members?

Mr. Macdonald (Rosedale): Mr. Speaker, I understood very clearly from my colleagues that it was to be tomorrow afternoon and I would hesitate to agree otherwise. Perhaps we had better go ahead in the circumstances.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since there seems to have been some breakdown in the communications, as I never heard anything other than that it would be tomorrow evening, could we not defer the vote until tomorrow evening but let the exact time tomorrow evening be decided by consultation tomorrow?

Mr. Macdonald (Rosedale): Mr. Speaker, that certainly is not the advice I have. Tomorrow afternoon was certainly the intent on this side and I would not feel free to depart from that.

Mr. Peters: Ten o'clock.

Mr. Deputy Speaker: Order, please. I would hope hon. members would come to some agreement. Once we have proceeded to put the question to arrive at a decision, then we cannot see the clock.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I understand that there is some legitimate difficulty on the other side of the House with regard to a vote at any other time tomorrow except the time mentioned by the Minister of Finance (Mr. Macdonald). I think it would be agreeable to all of us if the vote were deferred until the first item of government business on Wednesday. I understand that is agreeable to my friend, the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, this is agreeable.

Mr. Deputy Speaker: The suggestion seems to be that the deferred division on Bill C-41 be postponed until the calling of the first order of government business on Wednesday. Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being agreed, it is so ordered that the said vote will be taken and members called in at that time at the calling of the first order of government business on Wednesday.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I just ask if the acting House leader would like to confirm the business for the House tomorrow afternoon. I believe it will be Bill C-71.

Mr. Blais: I can confirm, Mr. Speaker, that Bill C-71 is to be the first order of business tomorrow afternoon.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

TRANSPORT—PRINCE EDWARD ISLAND FERRY SERVICE—REQUEST FOR REPORT OF LABOUR-MANAGEMENT COMMITTEE

Mr. David MacDonald (Egmont): Mr. Speaker, the question I wish to raise this evening, and I want to thank the hon. members for giving me some assistance in raising it as the first item, has to do with the continuing concern we in Prince Edward Island and I believe the people in Newfoundland have about the problems with regard to the main transportation link with the mainland, the ferry system.

As hon. members will recall, the last time there was a disruption in the ferry service because of the situation on the railroad in August, 1973, some members on all sides sought assurance from the Minister of Labour and the Minister of Transport that the absolutely catastrophic tie-up of the ferry systems of Prince Edward Island and Newfoundland would be dealt with in the time of peace, so-called, between the resolution of that strike and the entering into of new collective bargaining arrangements two years or more hence. At that time I received an undertaking which appears on the record of *Hansard* at pages 6142 and 6143 of August, 1973. At that time the minister said:

... I can answer the hon. member right now by saying yes, we could correct that situation assuredly so that it would never happen again.

He went on to suggest that the solution should be found elsewhere than in compulsory arbitration. Certainly that is a solution with which I would agree, and I am sure many hon. members on all sides would.

Since that time I have carried on a rather lengthy correspondence with provincial and federal ministers, but particularly with the federal minister of transport. My colleague, the hon. member for Malpeque (Mr. MacLean), on December 3 as reported at page 9685 of Hansard, asked the following written question:

Has any agreement been reached or any arrangement made whereby continuous ferry service between Prince Edward Island and the Mainland can be guaranteed, even when labour contracts are being negotiated?

I was somewhat shocked at the answer of the Minister of Transport (Mr. Lang), which was as follows:

No agreement has been reached nor has any arrangement been made whereby continuous ferry service between Prince Edward Island and the Mainland can be guaranteed at all times, especially during the ice season and during labour disputes.

Obviously with respect to weather conditions or ice certainly I am not one who believes that the Minister of Transport, regardless of what his powers might be, has reached the area of control of ice conditions or has passed beyond human bounds into the supernatural. We know only too well that these are conditions which so far no technology or political know how has overcome. However, with respect to the question of labour disputes, either present or future, I was mightily disturbed to find that the minister had neither arrived at any kind of solution or agreement with the key parties involved, nor did he seem to be aware of the fact that there has been considerable correspondence with his predecessor, or that in fact his predecessor had established a special committee and that the committee, which is known as the Marine East co-ordinating committee, had held a series of meetings.

Unfortunately these meetings were without a great deal of success, and this is the reason for my pursuing the matter tonight. As a matter of fact, on December 8 as reported at page 9795 of *Hansard* I indicated in a supplementary to the Minister of Transport that there was the Marine East co-ordinating committee which had been announced by his predecessor, now the Minister of the Environment (Mr. Marchand), a year ago July, and that the committee was to meet in the months of January, May and September and effect continuing communication on potential labour disputes which might result in the termination of a service which vitally affects the economic interests of Prince Edward Island. I asked specifically whether that committee was still operating and when it might be making a report. The Minister of Transport indicated on December 8 that he had not had a report but that he would look into it. Unfortunately to date the minister has not reported either to this House or to me, and I am still in the dark, as are the people of Prince Edward Island.

This comes against the background of a situation where we know we are into the negotiation of new contracts. I understand the negotiations have not produced any positive results. In light of what has been a continuing series of labour problems, one cannot be as optimistic as one might otherwise hope to be. When we project the possibility of a crisis situation sometime in the next few months, perhaps during a critical period affecting the economic interests of at least one or two provinces of this country, it is critical that now, well in advance of the time when we reach a crisis situation, the ministries responsible—particularly the Ministry of Transport which has a prime responsibility—should have worked out some kind of solution.

Shortly after the situation in August, 1973, I produced one proposal. I will not take the time of the House to go into detail on that proposal, but it was one possible alternative, a double penalty alternative which in effect would have provided a penalty against both union and management, but would not have penalised the public interest and the people of Prince Edward Island.

I direct the attention of the parliamentary secretary to that proposal. I have had no definitive reply from his department or from officials in the Department of Labour. I have had some kind of preliminary reaction from some unions about the proposal, but that is the extent to which there has been any serious examination of that as an alternative. There have been other suggestions. There has been the suggestion of establishing a Crown corporation, which I really do not think would get us much beyond the present dilemma.

● (2210)

Of course it is known to members of the House that the government of Prince Edward Island, realizing the seriousness of the situation, has had in the courts since late 1973 a legal action against the Government of Canada with respect to its own responsibility to maintain continuous transportation to and from Prince Edward Island, even during times of labour disputes.

I think it is high time, therefore, that the minister or his parliamentary secretary indicated to the House exactly what kind of work is being done, and when we can be assured that we are not going to face, for the third time in a decade, the kind of damaging situation that will affect the income, the prospects, and the operation of the social and economic fabric of Prince Edward Island. I would hope that the parliamentary secretary could give us some of that assurance this evening.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to be able to respond to my hon. friend again this evening. I have had that opportunity on other occasions at this point in the proceedings, and I am always very interested in the arguments he presents and impressed by the way he puts them to the government and the House.

I can assure the hon. member, as other hon. members on this side of the House have done on other occasions, that the government is very concerned with the matter of the substantial losses incurred by people who are innocent bystanders to labour-management disputes and the situations which arise in the course of industrial relations that deprive innocent people of some kind of service which causes them inconvenience at the least and probably much more than that.

I should like to help my hon. friend by providing some background and updating on the work of the Marine East co-ordinating committee.

When the hon. member first asked the Minister of Transport (Mr. Lang) to state what was being done to ensure continuous ferry service between Prince Edward Island and the mainland with regard to disruptions caused by winter ice conditions and labour disputes, I am afraid the wording may have become a bit confused. I am glad that has been straightened out now and that we are not particularly talking about "acts of God" in the insurance sense of the phrase, but really about losses or disruption caused by labour disputes.

With regard to this particular matter of disruptions due to industrial disputes, the original reply by the minister recognized the fact that ferry service employees enjoyed the right to strike and the government would not want to interfere with that right if such action could be avoided.

The hon. member has drawn attention to the existence of the Marine East co-ordinating committee and appears to be under the impression that this group was set up to eliminate strikes in the ferry service. We only wish—and I speak in a general sense—that that could be true in an easy fashion. The committee in question was set up in an effort to reduce the likelihood of strikes developing, and represents an earnest attempt of management and labour to maintain a relationship which would permit them to identify problem areas in advance and nip potential disputes in the bud.

The existence of this committee, with sub-committees in the various ships and terminals, has provided a useful sounding board and has enabled management and labour to defuse several potentially explosive situations. Nevertheless, despite the success of the co-ordinating committee so far in the maintenance of good management labour relations, it must be recognized that this has not eliminated the possibility of strikes in the ferry services, and the government would be reluctant to interfere with that particular right.

SOCIAL SECURITY—FAMILY ALLOWANCE—REASON FOR FAILURE TO FOLLOW PAYMENT METHOD ADOPTED IN FRANCE

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, one can read at page 10193 of *Hansard* for December 19, the Friday before the Christmas recess, that I asked the Minister of National Health and Welfare (Mr. Lalonde) if he had considered the system of family allowance payments in France where only those persons below a certain income level are eligible to receive payments, and for what reason would such a system not be introduced in Canada? The minister gave me a short reply referring to the attitude of the opposition.

We are presently, Mr. Speaker, spending some $2 billion a year on family allowances, and 60 per cent of that amount goes to families with incomes over $12,000.

Well over three million families in Canada receive family allowances, including nearly 900,000 families in the province of Quebec. About 40 per cent have only one child, but the figures go all the way up to some 2,000 families which have ten or more children.

A couple with two children earning a taxable income of $10,000 pay over $2,000 in federal taxes. For similar families with taxable incomes of $20,000 and $30,000, the figures are approximately $5,000 and $9,000 respectively. Those three families receive an after tax benefit on their family allowances of approximately $360, $330, and $300 respectively.

Family allowance payments are equivalent to about a quarter of total personal income tax; so that if, for example, payments were restricted to only half the number of families which presently receive them, that is, those with lower incomes, personal taxes could be reduced by about 12 per cent across the board or by such other ways as would give greater relief to those in lower tax brackets.

The Minister of National Health and Welfare tells us that 20 per cent of families receive less than 6 per cent of family income, whereas the highest one-fifth receive about 40 per cent of family income. With these figures in mind we should be very reluctant to remove the indexing of family allowances. Proportionately, the poor are still getting poorer while the rich are getting richer.

We all like to see universal payments. However, in the case of old age pensions the supplement is based on income. It is therefore not illogical to suggest that family allowance payments should be based on need. This is the way it works in France.

The proposals of the minister concerning income security and adequate minimum incomes are based on need. Thus, while one can argue administrative ease in universal payments, there are many examples where the desirable principle of universality is laid aside for economic necessity.

It is a retrograde step in the over-all program of income redistribution to remove the indexing of family allowances. Why not take this opportunity to revise the entire scheme, maintaining indexing, eliminating payments to those who do not need them and, at the same time, either make compensatory tax reductions or reduce the budgetary deficit?

Answering my question on December 19, the minister referred to the attitude of the opposition. Today, with majority government, unanimity is not essential. The present thinking of the government, which is looking for spending cuts, should be redirected toward the program of family allowances. I should like the Minister of National Health and Welfare, or his representative in the House tonight, the parliamentary secretary, to expand on the short answer given to me on December 19.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, may I thank the hon. member, my colleague, for raising this question in the House on this occasion. We are dealing with one of the costliest programs of the government. The family allowance program, in which Canadian taxpayers are involved in the redistribution of about $2 billion, absorbs nearly 6 per cent of the total federal budget. So it is not unreasonable that questions from my side of the House, or the opposition side, should be raised about the value of this program and its benefits.

Let me say at the outset that the government is firmly Committed to the program as presently constituted. Between 1968 and 1972, years when I was first a member of

parliament, the government put forward a proposal for public consideration which would have involved, in effect, putting a ceiling on family allowances so that families with more than $15,000 annual income would not receive payments. I remind hon. members that the proposal was not well received in the country when it was discussed in an active and lively public debate. People with family incomes of $15,000 were quick to point out that they were not well-to-do, and that for them the family allowance was a considerable benefit.

Remember, the family allowance concept recognizes the fact of dependency, the fact that having children involves extra expense. It recognizes the fact that those expenses usually come at a time in life when a family is newly formed. In most cases the couple has been recently married and must meet considerable expenses in setting up the household and launching on life together. Canadians feel that consideration ought to be given to this.

That discussion resulted in a proposal which was adopted and which goes a long way to meeting the position taken by my colleague. That was the proposal that family allowances be subjected to income tax at the full rates. The effect of that taxation is that approximately $600 million of the $2 billion paid is recaptured by the federal treasury in the form of income tax. It can be seen that a policy that costs $2 billion ends up having a net cost of $1,400 million.

● (2220)

At this time the government is not contemplating going any further and taking back any more of the family allowance than it does through the income tax system for those families with higher incomes. But I would like to put this question to the hon. member and those who feel we should go further. What really is the difference between taking back more of the family allowance than we do and reducing the exemption or deduction which we give families under the income tax system in respect of children? The act gives a child deduction. That again recognizes the fact of dependency. I think one can make the same defence of the deduction for children as one can of the family allowance.

PENITENTIARIES—MILLHAVEN—REQUEST FOR REPORT ON GASSING AND BEATING OF INMATES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, on November 21, 1975, I raised the question of the government's policy with respect to an investigation of an incident at Millhaven Penitentiary relating to certain inmates located in the solitary confinement section of that institution. This incident related to alleged gassing and beating of inmates.

At the same time I asked the Solicitor General (Mr. Allmand) whether or not public hearings were contemplated with respect to the situation at Millhaven and in other penitentiaries across Canada. The Solicitor General indicated that an investigation was contemplated by the Penitentiary Correctional Ombudsman, and in fact that person is now conducting hearings relating to the Millhaven incidents.

The investigation now taking place only serves to highlight the government's lack of any consistent policy with respect to prison reform, particurlarly concerning solitary confinement practices and facilities in federal penitentiaries across the country. The attitude of the government and the Solicitor General in this area, as in many others, is simply to approach each incident with the well-known local brush fire approach to penal reform rather than coming to grips with the fundamental root causes of the problem.

In the first report of the Correctional Ombudsman in July, 1974, Miss Hansen asked for a special study of the use of dissociation in federal prisons, complaining that solitary confinement as a punishment is both cruel and unevenly applied across the country. Recently, Mr. Justice D. V. Heald of the Federal Court of Canada in a judgment described the use of solitary confinement at the British Columbia Penitentiary as cruel and unusual punishment, contrary to the Canadian Bill of Rights.

Why does the Solicitor General therefore not immediately declare the government's intentions with respect to prison reform? If the government is sincerely interested in reform, why does it delay in having the fullest possible public inquiry into the conditions in the federal penal institutions? Is it the government's intention to introduce legislation concerning this matter? Is it not reasonable to ensure that the fullest possible representations on this topic are received?

I note that there is apparently evidence before the Hansen investigation that attempts to form prisoner's committees to voice prisoner's concerns and recommendations for improvement and reform were met by the transfer of committee members to other institutions and the placing of others in solitary confinement.

In conclusion, the Solicitor General owes it to the House and the country to give us a clear and unequivocal statement on these issues, to table the report on solitary confinement, to reply to the Federal Court judgment respecting penitentiary conditions in solitary confinement, and to let us know whether the government has any plans in the area of prison reform to avoid further or more serious incidents than that experienced at Millhaven on November 3 last.

Mr. Hugh Poulin (Parliamentary Secretary to Solicitor General): Mr. Speaker, before addressing myself to the original question asked in the House on November 21 last, may I make some brief comments.

The concern of the Solicitor General (Mr. Allmand) has been expressed in this House and across the land on numerous occasions. He is interested in prison reform, reform in the nature of establishing penitentiaries of a much smaller size designed to hold between 100 and 150 inmates, instead of 450. The Solicitor General has been trying to establish such institutions so that there might be closer contact, closer supervision, and better means of rehabilitating prisoners, The hon. member mentioned committees of prisoners in penitentiaries. I have met some of these committees in company with the Solicitor General, and as long as they conduct themselves in a meaningful manner their views are listened to and referred to the proper authorities for action.

With respect to the specific incident the hon. member mentioned as occurring on November 3, 1975, this incident

happened at the Millhaven institution when tear gas was used to pacify some rebellious and noisy inmates in one area of the dissociation ranges. I might say that many of those who are in these dissociation ranges are there for their own protection, though others are there for disciplinary purposes.

The incident was reported to the Commissioner of Penitentiaries and an administrative inquiry was convened. On November 4, 1975, the correctional officer at the time of the incident was suspended from duty pending the completion of the administrative inquiry. This senior officer was reinstated on duty on November 13, 1975. Disciplinary charges have been laid against him, heard at the institutional level, and referred to the regional director's office for decision. This administrative inquiry revealed facts which were not known on November 3 and 4, 1975. In the light of these new facts, the Solicitor General has requested the correctional investigator, Miss Inger Hansen, to undertake an inquiry into the new facts. This inquiry commenced on January 19 last.

The terms of reference of the inquiry are as follows:

1. The events leading up to the use of gas and force in the cell range G-1 and the environment control area of Millhaven institution on November 3, 1975, as well as the events following the said use of gas and force, and whether the directives, instruction and standing orders which pertain to the use of gas and force were followed.

2. Make suggestions with a view to improving the directives, instructions, and standing orders which pertain to the use of gas and force, and/or the way in which such directives, instructions, and standing orders are used.

I am not at present in a position to give the House a full report of the occurrence. That will have to wait until Miss Hansen completes her report. However, I can say that as a result of these incidents some 70 inmates who were in dissociation at the Millhaven institution have been transferred to the Regional Reception Centre, (Ontario), the Collins Bay institution or the Joyceville institution so as to allow the institutional authority to free some correctional officers to maintain the normal activities and programs of the institution since some correctional officers had withdrawn their services on an overtime basis.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, January 27, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

PROPOSED INVESTIGATION OF QUESTIONING OF FOUR CANADIANS BY RUSSIAN AGENTS IN CUBA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under provisions of Standing Order 43 to move a motion of urgent and pressing necessity arising from information given the House by the government yesterday which appears contrary to the facts concerning the holding in custody and questioning of four Canadian citizens by allegedly Russian KGB agents after they made a forced landing by air in Cuba on December 30. I would move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That in view of the statements by pilot Robert Carter that his group received no assistance from the Department of External Affairs while held in Cuba and that he was not contacted immediately on their return to Canada by Canadian officials, the House requests a full investigation and statement on the facts of this matter by the Secretary of State for External Affairs; and further, the House instructs the Prime Minister during his current stay in Havana to make representations to Prime Minister Castro in regard to this unwarranted and unlawful holding of Canadian citizens on Cuban soil by Russian KGB agents and that he advise Mr. Castro that Canada is not prepared to tolerate further incidents of this kind.

Mr. Speaker: Order, please. This motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN NATIONAL RAILWAYS

REQUEST FOR IMPROVEMENT IN RAIL PASSENGER SERVICE—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to deal with a case of urgent and pressing necessity. As Canadian National Railways has embarked on a program of reducing services to passengers even though no new rail transportation policy has been established by parliament, which cut-backs result in the lay-off of workers, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That this House deplore such actions by the CNR and call on the Minister of Transport to instruct the railway companies that they are to improve and encourage passenger rail service until such time as parliament has instructed them differently.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

WEIGHTS AND MEASURES

MEASURES TO PROTECT CONSUMERS WHEN METRIC SYSTEM INTRODUCED—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with a matter of urgent and pressing importance.

Considering that the use of the metric system is quickly progressing in our country, considering also that Canadian consumers must be protected against possible commercial abuses by some monopolies, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House consider without delay the steps to be taken to avoid price increases as a result of a decreased quantity of the product delivered to the consumer.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

SUGGESTED MAINTENANCE OF SUPER CONTINENTAL PASSENGER SERVICE—MOTION UNDER S.O. 43

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. It is in regard to the recently announced intention of Canadian National Railways to suspend its Super Continental passenger service across Canada for economic reasons. I suggest to this House that this matter should not be decided solely in

terms of economic considerations. As transcontinental rail service was one of the foundation stones of Confederation for the west, and remains so today for many western Canadians; and considering that most developed countries are today expanding and improving their passenger rail services as a relatively inexpensive, energy conserving mode of travel, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Transport take the necessary steps to ensure that the Super Continental passenger service be maintained and that the CNR be instructed to direct its efforts to the expansion and improvement of passenger rail service for the benefit of all Canadians.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

REQUEST FOR EARLY INTRODUCTION OF LEGISLATION RESPECTING PENSIONS FOR PRISONERS OF WAR—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under Standing Order 43, a motion which I am sure all members will recognize as one of urgent and pressing necessity. I cannot imagine anyone saying no. I therefore move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That this House calls on the government to introduce this week, along the lines recommended unanimously last June by the Standing Committee on Veterans Affairs, legislation respecting pensions for Canadian veterans who were prisoners of war.

Mr. Speaker: Pursuant to Standing Order 43, the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

* * *

● (1410)

HEALTH

PROPOSED REFERENCE OF FREEZE OF MEDICAL RESEARCH TO COMMITTEE—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. Because of inflation, the freeze of the medical research budget is resulting in the cancellation of many good research projects and the loss of many research jobs. In the long run, it will result in much increased health costs in this country. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this matter be referred to the Standing Committee on Health, Welfare and Social Affairs for study and report.

Mr. Speaker: The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

OLYMPIC GAMES

REQUEST FOR FEDERAL AID IN FINANCING—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent of the House to present a motion on a matter of urgent and pressing necessity.

Since the Olympic Games represent in the international area an activity whose prestige will be shared by the whole of Canada; and since the so-called federal programs related to Olympic stamps and coins are not a financial participation by the federal government but financing directly provided by the individuals of every province, including Quebec, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this House consider the feasibility of the federal government assuming the eventual Olympic Games deficit, since Canada will be the main beneficiary in the international area.

Mr. Speaker: Pursuant to Standing Order 43, the motion cannot be put without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—NUMBER OF PROVINCES SIGNING AGREEMENTS AND POSSIBLE DEADLINE FOR SIGNING

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Finance who yesterday I thought was looking for the new society but found he had only gone as far as Toronto,—

Some hon. Members: Hear, hear!

Mr. Stanfield: where he said to the Canadian Club "The prices and incomes control program itself is now well

launched." As it is well over three months since the Prime Minister launched this program in the presence of the first ministers and as only one provincial government has now signed an agreement with the government of Canada, I presume the minister now has some concrete information to back up his statement. I am sure he will want to share this information with the House. How many provinces are ready or near ready to sign?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I anticipate that within the fairly near future five more provinces will be in a position to sign agreements under Section 4 Subsection 3 of the law. In the case of the province of British Columbia, we recognize that, because of the very recent change in government, it would be unreasonable to expect them to maintain the same timetable as the others. With regard to Saskatchewan, Alberta and Quebec, we will be looking for an early decision on their part. Happily there will be a meeting of finance ministers next week. I will be pressing upon the remaining provinces the desirability of bringing to a conclusion the rather extensive discussions that have been going on with regard to the agreement.

Mr. Stanfield: Does the Minister of Finance consider the program well launched with three or four provinces apparently expressing substantial reservation about signing? I assume that participation by all provinces is essential to the success of the program in view of the way it has been set up. Is the minister prepared to state a deadline by which he expects all provinces to be in on the program either administering their own aspect of it or turning it over to the federal authority, the Anti-Inflation Board?

Mr. Macdonald (Rosedale): Mr. Speaker, I think that issuing an ultimatum to the provinces in that way would not be the best method of getting continued co-operation. Certainly, that is not the course of action I would take in this regard. The hon. gentleman referred to substantial reservations. I do not find them substantial. A number of provinces have sought to negotiate special conditions in consideration of their coming into the program. We said to them that we feel all provinces should come in on a substantially equal basis.

ANTI-INFLATION PROGRAM—EFFORT TO OBTAIN SUPPORT OF VARIOUS GROUPS FOR PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): My supplementary arises from the minister's statement that the program was well launched, and the impression in the minds of some of us that there is substantial resistance to the program still in certain sectors of the economy. Could the minister tell us what he is doing, or what he is advising the Prime Minister to do, to bring the various groups of this country together and continue to sell the program? Is this being left to the officials of the Anti-Inflation Board? I ask these questions particularly in view of the emphasis the Minister of Finance placed in his speech yesterday on the limited recognition here in Canada of the substantial interdependence which exists between the various groups making up our economy.

Hon. Donald S. Macdonald (Minister of Finance): Both I and my colleagues will be continuing discussions with the major interest groups in the economy of Canada. Indeed, I would anticipate in the next four or five months a very extensive absence from the House as I meet these various groups throughout the country and have an opportunity of putting the government's viewpoint.

ANTI-INFLATION PROGRAM—NATURE OF SPECIAL CONDITIONS REQUESTED BY PROVINCES AS PREREQUISITE OF JOINING PROGRAM

Mr. Allan Lawrence (Northumberland-Durham): Presuming that one of the objectives is near-unanimity on the rules, regulations and conditions across the country, would the minister be good enough to indicate the nature of some of the special conditions he has just mentioned? Do these have any reference at all to the time limits suggested by the provinces involved or request that the federal government put a set time limit on the control program? How does the time frame fit into the presence of near-unanimity, or the lack of it, across the country?

Hon. Donald S. Macdonald (Minister of Finance): I think it is fair to say that that has not been the issue. I might add that it would be unfair to individual provinces to make public the cases they have been putting, but I would refer the hon. gentleman to the statement on television last night by the minister of finance of Saskatchewan in which he indicated the special circumstances he was seeking to have recognized.

Mr. Lawrence: Mr. Speaker, I cannot conceive why it would be unfair to let the people of this country know the conditions which each of the provinces are seeking. If any other hon. members know, I would be glad to hear from them. In any event, I would ask the minister whether some of these conditions involve special requirements having regard to professional fees and, if so, which provinces have made such a request and what type of professional fees are concerned?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman, who was once a provincial minister, used to know that the provinces were very jealous of the positions taken up by their individual governments. He might like to address himself to his friends in Alberta, for example, and ask them whether they would like to have placed on public record the objections they are bringing forward.

Some hon. Members: Hear, hear!

Mr. Lawrence: I am asking you!

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TRADE

CANADA-UNITED STATES AUTO PACT—POSSIBILITY OF ACHIEVING PRICE PARITY THIS YEAR

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Since one of the perfectly legitimate objections the United States government has to the operation of the

Canada-U.S. automotive agreement has been the complete failure of the Canadian government, after ten years, to obtain price parity for identical products on both sides of the border, resulting in a situation in which Canadian consumers can pay up to $500 more than Americans for the same car, I should like to ask the minister whether the government is now prepared to assure the people of Canada primarily, as well as the Americans, that price parity will be achieved in automobile products this year.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, when the hon. member talks about the reaction of the U.S. government I am not sure whether he is referring to statements which were alluded to yesterday in press reports. I would point out that in fact the view expressed yesterday was not that of the United States government—I wish to make that clear. Nor have I seen the formal report; merely press stories on it. As to the question of whether we can guarantee parity in the current year I would not, for obvious reasons, wish to make that kind of commitment; I am not satisfied I would be able to carry it out. However, I can assure the hon. member and the House that we are working toward parity, and this will clearly be one of the matters we shall be discussing not only with United States interests, that is, in terms of government interests, but also with representatives of the automobile industry here in Canada as well, during the meetings now going on in connection with the auto pact.

● (1420)

Mr. Broadbent: A supplementary question, Mr. Speaker. Since not only this minister but his two predecessors made the same kind of general statement, I should like to pick up one point in what the minister said. The minister said he was not sure that he can carry out a commitment this year to achieve price parity. Given the federal government's control over tariffs and over tax policy, why is it not possible for the government to use these weapons with the automotive companies in Canada in order to achieve price parity?

Mr. Jamieson: For the simple reason, Mr. Speaker, that to use those in isolation might put in jeopardy the whole concept of the auto pact. Surely, the approach must be the one that we are undertaking now, which is to make a thorough assessment of the effects on both sides of the border and to aim toward what I have already stated to be my objective. Hon. members have said that it has been the objective for many years, but the fact is that we are getting closer to parity and I hope we can continue to narrow the gap. Nevertheless, I want to know from the companies in specific terms why the gap exists, and it is for that reason that I am initiating talks with them.

CANADA-UNITED STATES AUTO PACT—POSSIBLE CHANGE IN PERMITTED LEVEL OF PRODUCTION IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. I would urge the minister to make that appropriate move toward the United States. So far as Canadian workers are concerned, is the government now proposing to the United States that one of the changes that should be made in the pact is to guarantee to Canadian producers the right to produce in dollar value North American automobiles and parts, on an annual basis averaged over two or three years, to the actual level of consumption of cars and parts, that Canadians actually consume?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I hope the hon. member will not feel that I am evading his question, but I am not going to disclose in public what our negotiating stance is going to be in specific terms. If the hon. member is talking about our getting full value in terms of Canadian participation in the auto pact, the answer is yes and I am pursuing that aggressively on behalf of the government. But I do not think any benefit would be served here by talking in specific terms about what we are going to say to the Americans.

* * *

[Translation]

CONSUMER AFFAIRS

MEASURES TO PROTECT CONSUMERS WHEN METRIC SYSTEM INTRODUCED

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I intended to put my question to the Minister of Consumer and Corporate Affairs but, in his absence, I shall address it to the Minister of Justice.

As the conversion to the metric system naturally entails certain problems which are of concern to consumers, and as I have been advised that companies which control the sale of sugar in our country are about to sell it in metric quantities but at the same price as the former weights, can the minister tell the House whether questions have been put to him in this regard, what those questions were, and what steps he intends to take to remedy the situation and ensure that consumers are treated fairly?

[English]

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the particular transactions that the hon. member mentions have not been brought to my attention. I would ask him to do so and I will happily take them up with my colleague the Minister of Consumer and Corporate Affairs and determine whether they are in breach of the packaging and labelling act, which provides that weights and measures may be shown in the metric system. I encourage him, if he thinks that consumers are not being treated properly under the law, to bring such cases to my attention.

[Translation]

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

In view of the question I have just put, and because the same problem will eventually arise with regard to the distribution of oil in Canada, will the minister take appropriate steps to protect the consumer, and ensure that advantage is not taken of metrification to increase the price of oil while delivering it in smaller quantities?

[*English*]

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, as the hon. member may know, there are a number of steps being taken at the moment, and I say quite frankly, in some instances consumer groups feel these are inadequate; in other words, perhaps our position that consumers should be educated but that they should be responsible for determining whether they are getting fair value, does not go far enough. I am in sympathy to some degree with that point of view, and we are looking for techniques and methods whereby we may be able to reinforce the educational program. As the hon. member will also appreciate, it is very difficult to know how one might undertake what I might describe as policing action in terms of every gas pump and retail outlet in the country. It is a difficult problem but I am sympathetic with the basic premise of the question and we are looking at it to see what we can do.

* * *

HOUSING

REASON FOR FAILURE TO ADOPT NATIONAL WARRANTY SCHEME—GOVERNMENT POSITION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to ask the Minister of State for Urban Affairs to let us know what has happened regarding the much promised national housing warranty scheme which I understand has been dropped after the government had discussed it and after promising it for three years?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, certainly we have a great deal more to be concerned about because of the large number of houses that are being built.

Some hon. Members: Oh, oh!

Mr. Danson: I must indicate that this government works well with the private sector setting targets and meeting them together in the housing market.

Some hon. Members: Oh, oh!

Mr. Danson: With particular reference to the warranty scheme the hon. member has raised, I must express disappointment and failure on my part, for which I take full responsibility. I had hoped there would be a national scheme, involving all interested groups, and independent in nature. Progress had been made at the last meeting but this did fall through and I am sorry for that. Having said that, I will be pleased to see a high standard of provincial programs in place and will continue to work with all elements of the housing industry and at every level of government to make certain Canadians are protected, and that there are satisfactory standards set across the country which meet the regulations. Certainly, this will apply in so far as any housing in which CMHC is involved, which is about 40 per cent of housing in Canada today.

Mr. Darling: Mr. Speaker, is the minister stating that there is a jurisdictional problem between the federal and provincial governments? If this is the case, surely something can be worked out between the two in order that the consumer will be protected? There have been many cases of shoddy and rotten houses being built and we were looking for this warranty to protect the consumer.

Mr. Danson: Mr. Speaker, sure there is a question of jurisdiction, but that is not the only problem. I thought we had resolved the jurisdictional problem at the last meeting I had with the provincial housing ministers, but other elements came into this. The consistency of the provinces was not apparent at the last meeting. Certainly I share the hon. member's view that we must have adequate standards and we are working toward those standards. They may vary somewhat as between provinces, but we will have standards that apply to CMHC housing in which we are involved and which will perhaps set a pattern. I hope to see uniform standards very quickly across the country. Rather than waiting and continuing to try to get a national scheme going, I felt we should assist in getting provincial schemes started and we will continue to co-operate with them in this regard, especially in those provinces where assistance is needed.

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FINANCE

GOVERNMENT POLICY ON GROWTH IN MONEY SUPPLY AND INTEREST RATES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, bearing in mind that the money supply in Canada has gone from about $30 billion in 1970 to $72 billion in late 1975, and keeping in mind that in 1974 the average rate of increase in the money supply was 18 per cent, is the Minister of Finance satisfied that the new monetary policies announced in the white paper have allowed the government to reach a trend in the growth rate at the present time? What direction is this trend taking and what is the minister's anticipation in respect of that trend?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I share with the governor of the Bank of Canada the intention that the money supply should grow at the rate of the real growth of the economy, and in addition plays some part, but not all, in the price increases we are experiencing during the current year. The figures in most recent months have, of course, been subject to an aberration because of the effect of the postal strike. There was indeed a substantial increase during that six week period. There has been a reduction in that figure again and our hope would be that we could very shortly get within the guidelines the governor set, which would be somewhere in the neighbourhood of 10 per cent to 13 per cent.

● (1430)

Mr. Lambert (Edmonton West): Mr. Speaker, on the question of the monetary policies within the government's anti-inflation program, and bearing in mind that short term interest rates seem to be firming up in that the industry is forecasting an increase of about one half of one per cent in the next few weeks in mortgage rates on homes, would the minister advise whether it is still the government's policy to maintain a very high interest rate through

the bank rate and thereby attract that much more money from the United States.

Mr. Macdonald (Rosedale): Mr. Speaker, the conditions are somewhat different in Canada and the United States. We do expect there will be a differential for the time being between the two markets. I just comment that it seems to us that the relatively higher interest rate, the level that is prevalent at the present time, is a necessary concomitant of a reduction in the money supply.

EFFECT OF LONG-TERM DEBT ON THE ECONOMY

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. In view of the heavy inflow of money through provincial borrowings and short-term money due to our high interest rate, does the minister feel that this assumption of so much long-range debt will be detrimental to the Canadian economy in the next year or so.

Hon. Donald S. Macdonald (Minister of Finance): Well, Mr. Speaker, that is a rather complex question but I think I would have to say at the present time, in light of the drop off of our merchandise exports because of the economic conditions in our principal markets, that for the time being at least the success of Canadian borrowers in placing issues abroad has been of assistance in dealing with the balance of payments deficit. I would have to concede that we should watch with particular care lest the value of the Canadian dollar go to a level where it could represent economic problems for us in a broader and longer sense.

* * *

INDUSTRY

POSSIBLE INTEGRATION OF DOUGLAS INTO AIRCRAFT MANUFACTURING COMPLEX

Mr. A. C. Abbott (Mississauga): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. I know he would not wish to disclose negotiations as he pointed out to hon. members opposite, but considering that over 1,000 employees of the Douglas Aircraft Company have been laid off, forecasting perhaps the ultimate closing of that great plant, could the minister say whether he is integrating Douglas into the complex of the aircraft manufacturing industries he has already assembled which I think would be a very far-sighted act on his part.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the hon. member and the House know that some involvement by McDonnell Douglas in a so-called revamped aerospace industry is one of the proposals that has been put forward. It is not by any means the only one. Unfortunately, as of this moment a restructuring along those lines would not be of significant benefit to the employees concerned because the problem arises from the lack of sales of commercial aircraft around the world. However, I can inform the hon. member I have notified my office today to arrange a meeting with the union concerned at the McDonnell Douglas plant and also I will be meeting with officials of the McDonnell Douglas plant sometime within the next fortnight.

[Mr. Lambert (Edmonton West).]

ANTI-INFLATION BOARD

ALLEGED POLICY ANNOUNCEMENT BY BOARD MEMBER—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance.

An hon. Member: Bring back the Avro Arrow.

Mr. Nystrom: I have a question which does not concern aircraft. In view of the fact that Jack Biddell, a member of the Anti-Inflation Board, announced that construction companies with more than five employees will probably be brought under the program, that rules regarding profits will have to be modified and that there are political considerations to dividend restriction, can the minister say what right board members have to make political and policy announcements. Is it because the minister is afraid to do so in the House?

Hon. Donald S. Macdonald (Minister of Finance): No, Mr. Speaker. As many people who know him recognize, Mr. Biddell is like the other members of the board, a particularly strong personality. He, of course, may have these views. To the extent they do not coincide with government policy, he is expressing his own views.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBILITY OF ESTABLISHING TRIBUNAL TO HEAR APPEALS FROM BOARD DECISIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to ask a supplementary question. In view of the fact that some 17 or more collective agreements have now been interfered with by the board and an appeals tribunal has not been established and therefore the unions do not have a right of appeal, I should like to ask the minister when the appeal tribunal will be established and whether or not he will direct the board to refer those agreements to the administrator so that he can make a ruling.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. gentleman is suggesting a course of action which is not provided for by the law.

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NORTHERN AFFAIRS

RATE INCREASES BY NORTHERN CANADA POWER COMMISSION—REQUEST FOR INVESTIGATION

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Acting Minister of Indian Affairs and Northern Development which I believe will be the President of the Treasury Board. In view of the rate increases of the Northern Canada Power Commission in the Northwest

Territories and proposed for the Yukon territory which exceed by four times the government price guidelines recently announced, is it the intention of the department to set up a public inquiry under the Inquiries Act with power to inquire into the whole operations of Northern Canada Power Commission and in particular the reasons for these exhorbitant rate increases to power users in an already high cost area.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I shall convey the question to the Minister of Indian Affairs and Northern Development.

* * *

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—APPLICABILITY OF PROGRAM TO YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Minister of Finance with regard to the program in respect of which he hoped to obtain the agreement of the provincial governments. Are the governments of the Yukon territory and the Northwest Territories to be treated *de facto* as separate governments for the purposes of this program and, if so, does he anticipate obtaining agreement with those two areas of Canada and those two governments in order to involve them in the program so that the Anti-Inflation Review Board might have some jurisdiction over companies of the nature I have just mentioned.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the law passed by parliament provides for agreements between the federal government and the provinces. As he knows, the two territories are not provinces. With retard to both the public and the private sector of course the Anti-Inflation Board has jurisdiction.

Mr. Nielsen: I have one final supplementary, Mr. Speaker. In view of the fact that it is government policy to give heed to the provisions of the Interpretation Act which regards the Yukon territory and the Northwest Territories as provinces, will he not be seeking this kind of agreement under this program as he does with regard to federal-provincial agreements? Will he not be doing this with the territories in the same way he does with the provinces?

Mr. Macdonald (Rosedale): Mr. Speaker, it seems to me that the hon. gentleman is making an unsound assumption.

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FISHERIES

REQUEST FOR CLARIFICATION OF POLICY OF CONTROL OF EAST COAST LOBSTER FISHERY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct a question to the Minister of State (Fisheries). On December 30, 1975 the minister announced his intention to tighten controls on the east coast lobster fishery. He stated that by January 20, 1976 a minority of licence holders will receive notification that their lobster fishing privileges have been called into question.

In view of the controversy created by this announcement, is it the minister's intention to make a statement on this matter in the House, or will he convene a special meeting of the Fisheries and Forestry Committee in order to explain the yardstick to be used by his officials when determining those who will be permitted to continue lobster fishing in Canada.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, both suggestions have merit. On the other hand, I would hope that those who discuss this matter would look very carefully at the communiqué and that those concerned will read carefully the letters they receive and realize that there is a procedure for appeal if they have not been treated fairly. There is a committee to hear their appeals. I have said very clearly that this policy will be applied in the most flexible way possible. But there is one basic fact, and that is we are trying to preserve the stocks of lobster for those whose livelihood depends on fishing and not for those who are involved in other professions and other types of industrial work.

● (1440)

Mr. Crouse: I thank the minister for that reply. Of the 20,000 odd people now participating in the Atlantic coast fishery, would the minister indicate how many people he hopes to drop from the lobster licensing rolls? Will lobster fishermen who, when the season is closed, for example, work on off-shore scallop draggers or in the west coast fishery, be affected and how will this program affect the young men desirous of engaging in lobster fisheries?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, there is certainly no intention to penalize those who are involved in other forms of fisheries. On the contrary, it is our intention to preserve the pool of lobsters for the professional fishermen.

With regard to the second point, it is my hope that a good, sound management policy will make it eventually possible to allow for licences to be issued to young people willing to enter the fishery profession if we manage that stock properly.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to ask the minister a supplementary question. Will he assure the House that in areas where the lobster fishing season is short and it is impossible, by the nature of the circumstances, for fishermen engaged only in the lobster fishing operation to make a living thereby, that a person who takes the initiative and is self-employed in another occupation during the remaining ten months of the year will not be penalized thereby?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I have tried to make it plain—and I am certainly happy to repeat what I have said because I know that this policy is a difficult one to implement—that in no way am I trying to remove from the fishery those who are part-time lumbermen or part-time farmers and who have to do other things for a living. We are concentrating this initial limitation on those who are fully employed in other fields of endeavour besides the fishery.

Oral Questions

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—APPLICABILITY OF PROGRAM TO MUNICIPAL PUBLIC UTILITIES COMMISSIONS

Mr. Alan Martin (Scarborough West): Mr. Speaker, my question is for the Minister of Finance. Will he indicate whether in his opinion the anti-inflation guidelines should apply to the price or rate increases proposed by municipally operated agencies across the country, such as the Scarborough Public Utilities Commission which has recently announced a substantial rate increase of 21.7 per cent effective January 1, 1976?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would have to consult more fully on the agreement entered into with the province of Ontario in this respect. In general terms, it is expected that the guidelines will apply to all such public bodies but that the responsibility for the enforcement of many of them will rest either with a regulatory tribunal in the province or with the provincial government. In the event of that monitoring indicating a situation which would require action by the administrator, it might, under some circumstances, be appropriate to have a reference from the provincial government to the administrator.

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TRANSPORT

RESPONSIBILITY FOR REDUCTION OF TRANSCONTINENTAL RAIL PASSENGER SERVICE—DATE OF POLICY ANNOUNCEMENT

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the Minister of Transport. Since the government appears at least to be determined to put an end to any meaningful transcontinental rail passenger service, can the minister inform the House if the respective railways, that is CNR and CPR, had any input into the decision to reduce the service, or has the decision been solely that of the Minister of Transport and his department?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I simply want to say at this stage that the hon. member's suggestion is quite incorrect, that the government is determined to put an end to a meaningful transcontinental rail service. I hope to be making a statement to the House quite soon in order to give an indication of government policy in this regard. It is our view that we must put an end to the practice of having bad train services and that where a train service is to continue in this country it should be good.

Mr. Murta: I should like to ask the minister two questions in my final supplementary. First, will he indicate to the House when he is prepared to make that announcement and, second, does the minister not feel that reducing the service alone with no improvement, or virtually no improvement, will ultimately spell the end of rail passenger service in Canada, which is in effect what the government is doing at present?

Mr. Lang: I should like to confirm to the hon. member, as I told him a few moments ago, that I hope to make a statement in the House on Thursday. He will see then that in fact we believe there is a way to maintain good passenger train service in Canada.

[Mr. LeBlanc (Westmorland-Kent).]

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ANTI-INFLATION BOARD

POSSIBLE REVIEW OF DECISION IN IRVING PULP AND PAPER CASE—GOVERNMENT POSITION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, has the government given any consideration to overruling the decision of the Anti-Inflation Board to rollback the wage settlement negotiated between the Irving interests and the pulp and paper workers in New Brunswick? Does the government review these decisions and will it consider this matter?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, perhaps I can respond to that question. The answer to the first part of the question is that no, we would not propose to rollback the board's decision in this regard. Of course, we pay very close attention to each of the board's decisions.

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URBAN AFFAIRS

TORONTO HARBOURFRONT PARK—DATE OF COMPLETION—AMOUNT OF COSTS INCURRED AND COST OF COMPLETION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my questions is for the Acting Prime Minister. Over one month ago, late last year, in reply to a question in this House regarding the stagnant Harbourfront Park in Toronto the minister stated "we have been looking at economies in all directions". Because of the fact that the 1972 election goody is well into its fourth year of preparation and is undoubtedly incurring substantial administrative and other carrying costs, can the Acting Prime Minister advise the House whether or not the government has found the direction it is looking for, and is he prepared to advise the people of Toronto as to when this project is expected to be completed?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am sorry I missed the question. If I got its import, the full intent of the question is when the project is to be completed. Certainly, there is no deadline for its completion.

An hon. Member: When is the next election?

Mr. Danson: Hon. members opposite have a very peculiar idea of what this project is all about. If they would like to see the report, it will be made public this Friday and presented by the Harbourfront Council to the three levels of government involved. It will give them a better idea of what is to take place. It will be presented on Friday at the City Hall in Toronto at six o'clock. If the hon. member would like to come, I should like to invite him at this time.

Mr. Jelinek: Mr. Speaker, I thank the Minister of State for Urban Affairs for his reply, although it was the Acting

Prime Minister who started this project. I have one short supplementary for the Minister of State for Urban Affairs. Is he in a position to advise the House as to what the administrative and other carrying costs have been during the last four years, and can he in fact assure the House that the final cost will not exceed the original estimate of $30 million?

Mr. Danson: I would be pleased to get the cost figure for the hon. member. I cannot give him an assurance on the actual acquisition cost because due to inflation it will be somewhat higher than expected, but not nearly as high as figures which have been estimated in the press. As a matter of fact, I have had some confirming information this morning which is rather gratifying that acquisition costs have not accelerated as much as they might have been expected to do.

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FINANCE

POSSIBLE CHANGE IN TAXATION OF MINING COMPANIES—GOVERNMENT POSITION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that the new government in British Columbia has announced its intention to reduce its royalties and super royalties to the mining industry, has any offer been made yet by the federal Minister of Finance to the new government in British Columbia that he is willing to respond by ending the double taxation set up in the Turner budget of 1974?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker the present law is that enacted by parliament earlier this year, and of course it would be quite inappropriate for me to propose a tax change of that kind outside the budget framework.

● (1450)

Mr. Hamilton (Qu'Appelle-Moose Mountain): A supplementary question, Mr. Speaker. In view of what the minister has just said about the legislation will he indicate, as he did to the people of Toronto the other day, if he is calling a budget for May, 1976 whether he intends to deal with the subject in the budget so that people who plan to invest in the resource industry in Canada can have some indication that if the provinces reduce taxes the federal government would be prepared to match the provinces?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not think I should anticipate the content of the budget in any way at this time.

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CANADIAN NATIONAL RAILWAYS

REQUEST FOR EXAMINATION OF PROPOSED INCREASE IN COMMUTER RATES

Mr. Ian Watson (Laprairie): Mr. Speaker, my question is for the Minister of Transport. Would the minister give consideration to referring to the Anti-Inflation Board and the Canadian Transport Commission the proposed Canadian National rate increase on the Montreal-St. Lambert-St. Hilaire and on the Montreal-Portal Heights-Deux Montagnes routes, which became effective February 1 this year?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have given a general instruction to the Canadian Transport Commission to examine rates over which it has some jurisdiction in order to assist the Anti-Inflation Board in its work. I will take note of the hon. member's suggestion regarding these rates and see if they are being examined by the CTC.

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RESEARCH

SUGGESTED RECONSIDERATION OF FREEZE ON FUNDS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Acting Prime Minister in the absence of the Minister of State for Science and Technology. In light of the very sharp reaction of the executive director of the Science Council of Canada and the president of the National Research Council who have indicated that the proposed freeze or cutbacks in scientific research will have profound and long lasting effects upon scientific research in Canada, is the government reconsidering the freeze and cutbacks announced by the President of the Treasury Board in December?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government does not intend to review the decisions that have been made this year. We will watch developments and if in subsequent years it appears that an adjustment would be desirable a decision will be made at that time. I think it is an indication of the seriousness of the government's effort to cut expenditures. It does run counter to a great deal of propaganda to the effect that the government is making phony cuts.

EFFECT OF FREEZE ON MEDICAL RESEARCH PROJECTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, a supplementary question for the Minister of National Health and Welfare. Is the minister aware of the statements made by medical researchers from virtually every medical college in Canada that the cutbacks or freeze in funding for medical work for this year will mean not only a cutback in projects for the coming year but abandonment and permanent cutbacks on medical research teams that have been assembled with a great deal of effort over the past dozen years? Is there anything the minister can tell the research community about how to avoid the tremendous difficulties that they have predicted?

Mr. Speaker, a supplementary. I wonder whether the silence of the Minister of National Health and Welfare means that he was not listening. Could I repeat my question? May I ask the minister whether—

Mr. Speaker: The hon. member for Vancouver Quadra.

Oral Questions

POST OFFICE

REQUEST FOR REPORT ON CONTRACT NEGOTIATIONS WITH POSTMASTERS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in view of the fact that the 8,000 postmasters in Canada have been without a contract since October 6 last year, and in view of the fact that the Canadian Postmasters' Association put its modified position before the government over three months ago, when will the government make its proposals available to the association and when will negotiations be resumed?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I am not sure they ever broke off, but I will get more detailed information for the hon. member before tomorrow.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is a supplementary for the Postmaster General. In light of the fact that the minister has indicated to the press that the morale of the postal service is at an all time high, and in light of the fact that there is severe depression among postmasters in Canada over their existing salaries which are below those of junior officials may I ask when the government is going to address itself to this very serious problem?

Mr. Mackasey: Mr. Speaker, I would imagine negotiations would be a lot easier if hon. members such as the one who just spoke did not resort to political expediency to muddy the waters.

Mr. Brisco: A final supplementary. I should like to refer the minister to his statement to this House in *Hansard* of December 3. In view of that statement, the minister might be prepared to change the answer he just gave.

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RESEARCH

POSSIBLE DEPENDENCE ON OTHER COUNTRIES FOR RESEARCH INFORMATION IN VIEW OF BUDGET CUTS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question to the Acting Prime Minister is supplementary to that asked by the hon. member for Winnipeg North dealing with the freeze on the research budget. In view of the fact that this freeze will result in the downgrading of research programs in this country, could the Acting Prime Minister indicate whether it is now government policy that this country depend largely on other countries for research information since we are not doing any research of our own?

Hon. Mitchell Sharp (Acting Prime Minister): The answer is no, Mr. Speaker.

[Mr. Speaker.]

HEALTH

STUDY OF MEGAVITAMIN THERAPY

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Minister of National Health and Welfare. I make reference to a question I asked on December 17 in regard to megavitamin therapy and orthomolecular psychiatry and how far the government study that the minister had previously acknowledged had progressed. The minister responded that the investigation had not been completed and later said that he could not give a firm date for completion. Since I have learned from departmental officials that there is no study—the study has not—

Mr. Speaker: The hon. member for Provencher.

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UNEMPLOYMENT INSURANCE

DATE OF INTRODUCTION OF AMENDMENTS TO LEGISLATION

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. When may we expect further amendments to the Unemployment insurance legislation which I understand relate to the number of weeks an applicant is eligible for UIC to the number of weeks that applicant has worked in the Canadian job market?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, without confirming the precise nature of the matters the hon. member is referring to, when I spoke on second reading of Bill C-69 I indicated further amendments would flow from the comprehensive review that has been undertaken. I anticipate that would be within the next few months.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR REPORT ON ESTABLISHMENT OF TV STATION IN RIMOUSKI

Mr. Eudore Allard (Rimouski): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I want to put a question to the Minister of Communications.

Following the answer I received from the Secretary of State on November 1, 1974, in which he mentioned that there was a plan for the establishment of a French television station in Rimouski which would be equipped to produce programs, could the minister tell the House what has been done in that regard?

Hon. Jeanne Sauvé (Minister of Communications): In the absence of the Secretary of State, I think I can confirm that there is indeed a project for the establishment of a second television station in the Rimouski area, that negotiations are now taking place and I am confident these negotiations will result in the not too distant future in the opening of the second French station the residents of that region want.

[*English*]

PENITENTIARIES

REQUEST FOR TABLING OF VANTOUR REPORT ON SEGREGATION—GOVERNMENT POSITION ON DECISION OF MR. JUSTICE HEALDS ON SOLITARY CONFINEMENT

Mr. Ray Hnatyshyn (Saskatoon-Biggar): I should like to direct a question to the Solicitor General, Mr. Speaker. Last evening in the adjournment motion the minister was asked about the special report that he is holding concerning solitary confinement requested in 1974 by Inger Hansen, the correctional ombudsman. I should like to ask the minister whether it is his intention to table this study and if he intends to use it as part of the reforms promised in the second omnibus bill.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, immediately after the correctional investigator tabled her report last year and suggested that we set up an inquiry on segregation, we did so. We appointed a Mr. Vantour who immediately started his studies and gave his first report in December. That report is now being translated and printed and will be made public in February. We will use that as the basis for changing our segregation policy.

● (1500)

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. I think I have the word now, Mr. Speaker. Last night the Solicitor General was also asked about his reply to Mr. Justice Healds' decision respecting the use of solitary confinement. Will the Solicitor General reply to that judgment, make a formal statement, or will his actions involve changes in legislative terms?

Mr. Allmand: Mr. Speaker, as the House knows, we decided not to appeal the judgment of Mr. Justice Healds of the federal court whose remarks were related to segregation at B.C. penitentiary and not at other prisons. We are going to use the Vantour report, to which I referred in my previous answer, to bring about changes in segregation generally in the penitentiary service. That report will be public.

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

PETITION FOR RESTRICTING AVAILABILITY OF FIREARMS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the twenty-second report of the Clerk of Petitions, stating that he has examined the petition presented by the hon. member for Ottawa West (Mr. Francis) and finds that it meets the requirements of the Standing Orders as to form.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,586, 3,667, 3,676, 3,681, 3,702, 3,703, 3,752, 3,786 and 3,891.

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

[*Text*]

CANADA PENSION PLAN—PROCESSING TIME FOR APPLICATIONS FOR DISABILITY PENSIONS

Question No. 3,586—**Mr. Forrestall:**

1. What is the average processing time for applications for disability pensions under the Canada Pension Plan?

2. Does the time involved reflect an improvement over the figure given as two and one half months in the answer to Question No. 1,545 and, if not, for what reason?

3. Does the Canada Pension Plan have in place procedures by which it can identify seriously ill applicants for the purpose of giving these individuals accelerated processing prior to imminent death and, if not, for what reason?

4. Is the Minister of National Health and Welfare satisfied that the processing of applications for disability pensions is done within a reasonable time frame, especially for those applicants with serious disabilities threatening imminent death?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Fifty five days.

2. Yes.

3. Yes.

4. The Minister of National Health and Welfare is satisfied that the processing of applications for disability pensions is done within a reasonable period of time; however, ways of reducing this processing time further, through improved efficiency, are under consideration. It should also be noted that when a disability determination is not completed at the time of death of the contributor, processing of the application continues and any resulting benefit is paid to the estate. In addition, upon death, applications for survivors' benefits are immediately processed and benefits paid to the survivors of the deceased.

COMPETITION FOR POSTMASTER, BARRÉ, P.Q.

Question No. 3,667—**Mr. Lambert (Bellechasse):**

1. What (a) is the number (b) are the names (c) are the addresses of those who participated in competition 75-PO-QUE-E-OC-83, Postmaster for Barré, Quebec, which closed on June 30, 1975?

2. Did all application forms reach the Post Office Department before June 30, 1975?

3. Which applicant was chosen and at what hourly salary?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. There were two persons who participated in Competition 75 PO-QUE-E-OC-83, Postmaster, Barré, P.Q.

2. The Applications for Employment forms were dated June 18, and June 28, 1975. Both were received before June 30, 1975.

3. The selected candidate was Mrs. Jeanne d'Arc St-Pierre. Her appointment was effective September 20, 1975 and her salary is $101.40 per week based on a 39-hour work week. The name of the other candidate cannot be disclosed in this instance as it would be contrary to Section 25 of the Public Service Employment Regulations which reads as follows:

The name of a person who is a candidate for a position, unless his name is on the eligible list established for that position, and the information and material supplied by or on behalf of the candidate, unless the candidate is appointed to the position, shall not be disclosed, without the consent of the candidate, to any person who is not directly involved in the process of selection for appointment to the position.

COMPETITION FOR POSTMASTER, ST-LUC DE VINCENNES, P.Q.

Question No. 3,676—**Mr. Matte:**

1. What are the (a) names (b) addresses of those who participated in competition 75-PO-QUE-(E)-OC-163, Postmaster for St-Luc de Vincennes, Quebec, in the Constituency of Champlain, which closed on December 1, 1975?

2. Did all application forms reach the Post Office Department before December 1, 1975 in spite of the recent postal strike?

3. What is the name of the successful applicant and what is the amount of weekly salary?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1 and 2. There were four applications received in Competition 75-PO-QUE-E-OC-163, Postmaster, St-Luc de Vincennes, P.Q. Two applications were received in the Vincennes Post Office before December 1, 1975. The two other applications were inadvertently sent to the Public Service Commission at Ottawa. The Zone Manager on learning of this error on December 1, arranged the following day to have the two persons concerned complete new application forms. By December 3, the Zone Postmaster had obtained these two applications.

3. The selected person was Mr. G. E. Massicotte. His salary is $76.95 a week based on a 32½ hour work week. The names of the other candidates cannot be disclosed as this would be contrary to Section 25 of the Public Service Employment Regulations which reads as follows:

The name of a person who is a candidate for a position, unless his name is on the eligible list established for that position, and the information and material supplied by or on behalf of the candidate, unless the candidate is appointed to the position, shall not be disclosed, without the consent of the candidate, to any person who is not directly involved in the process of selection for appointment to the position.

CONTRIBUTIONS TO POLITICAL PARTIES

Question No. 3,681—**Mr. Jones:**

1. What amount of money was obtained by each of the recognized political parties under the provisions of the Election Expenses Act in 1974 and 1975?

2. In each case, what was the total amount of money deducted from taxable incomes in 1974 and 1975?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Chief Electoral Officer and the Department of National Revenue as follows: 1. Pursuant to section 13.4 of the Canada Elections Act, the chief agent of a registered political party is required to transmit to the Chief Electoral Officer, in respect of each fiscal period of the party, a return of the party's receipts, such return to be transmitted within six months after the end of the fiscal period to which the return relates. Currently, there is only one party which falls within that period and has submitted a return. However, pursuant to section 230.1 of the Income Tax Act, registered agents of a registered party must submit to the Minister of National Revenue a return covering all contributions received by the registered party in the applicable calendar year. Further, in accordance with the aforementioned section of the Income Tax Act, the Minister is required to forward a report to the Chief Electoral Officer containing statistics comprising total contributions shown on the returns received from the registered agents pursuant to the foregoing. In a report to the Chief Electoral Officer dated October 31, 1975, the Minister reported the following contributions received by registered parties in the period August 1, 1974 (effective date of the Election Expenses Act) to December 31, 1974:

	Contributions Received
Progressive Conservative Party of Canada	$ 725,853.64
New Democratic Party	1,431,267.82
Liberal Party of Canada	1,059,427.16
The Social Credit Party of Canada	1,914,253.70
Marxist-Leninist Party of Canada	—
Communist Party of Canada	—

Since the returns to the Minister of National Revenue are on a calendar year basis, the 1975 report has not been received.

2. To date, the total amount deducted from federal tax payable on T1 returns (Individuals) for political contributions in 1974 is $1,246,000. It is not possible to give a breakdown, by party, of this amount since the allocation is not given on the T1 return. Information for 1975 and for T2 returns (Corporations) is not available.

ELIGIBILITY OF ARMED FORCES PERSONNEL TO ENTER PUBLIC SERVICE COMPETITIONS

Question No. 3,702—**Mr. Forrestall:**

Is a member of the Canadian Armed Forces stationed outside the Atlantic Provinces eligible to enter closed competitions offered by the Public Service but restricted to residents of the Atlantic Provinces and, if so, under what circumstances?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: No. A member of the Canadian Armed Forces would be eligible to compete in closed competitions restricted to parts of the Public Service in the Atlantic Provinces only if he or she were stationed within the geographical and organizational limits prescribed in the area of competition.

ELIGIBILITY OF ARMED FORCES PERSONNEL TO ENTER PUBLIC SERVICE COMPETITIONS

Question No. 3,703—**Mr. Forrestall:**

Will the government permit members of the Canadian Armed Forces born in the Atlantic Provinces but not stationed there, eligibility to

enter closed competitions offered by the Public Service but restricted to residents of the Atlantic Provinces and, if not, for what reasons?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: No. The commission is restrained by the provisions of section 13 of the Public Service Employment Act to the consideration of a prospective candidate's place of residence rather than his or her place of birth. Where the area of competition, determined for a particular closed competition, prescribes that candidates must reside within stated geographical limits, only those candidates residing within those limits are eligible for appointment.

POST OFFICE DEPARTMENT—RETENTION OF LAWYERS IN CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,752—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Post Office Department during 1973 and 1974?

2. By year, what was the total amount paid to each?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. Nil.

2. Not applicable.

MAIL DELIVERY IN STEINBACH, MANITOBA

Question No. 3,786—**Mr. Epp:**

1. Has the government any plans to introduce door to door mail delivery service in Steinbach, Manitoba?

2. Has a survey been taken by post office officials as to whether door to door mail delivery service is desired by residents of Steinbach and, if so, what were the results of the survey?

3. Does Steinbach presently qualify for door to door mail delivery and, if not, what criteria are not met at the present time?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. No.

2. No.

3. Not known—Survey to determine status of Steinbach is planned for the spring of 1976.

STAFF OF ANTI-INFLATION COMMISSION

Question No. 3,791—**Mr. Orlikow:**

1. What are the (a) names (b) positions (c) salaries of persons on the Anti-inflation Board earning more than $20,000 per annum?

2. In what departments were they employed before going to the Anti-inflation Board?

3. What was their salary in their previous positions?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I am advised by the Anti-Inflation Board as follows: 1, 2 and 3. As of December 12, 1975, there were approximately 300 persons assisting the commission to set up operations. All but 35 of these people were borrowed temporarily from a number of government departments who paid their salaries and retained their files. The balance were administrative support personnel. Since the enactment of the Anti-Inflation Bill staffing is being carried on in accordance with the Public Service Employment Regulations.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE, CROWN LIABILITY ACT, IMMIGRATION ACT, PAROLE ACT

JURISDICTION GIVEN TO CANADIAN COURTS TO TRY PERSONS FOR CERTAIN OFFENCES COMMITTED OUTSIDE CANADA

Hon. Ron Basford (Minister of Justice) moved that Bill C-71, to amend the Criminal Code and to make related amendments to the Crown Liability Act, the Immigration Act and the Parole Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

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

Some hon. Members: Now.

Mr. Basford moved that the bill be read the third time and do pass.

He said: Mr. Speaker, may I address the House briefly at the third reading stage of Bill C-71 and recommend the adoption of this bill on third reading. As hon. members know, the bill went to the committee. It incorporates a number of desirable changes in the Criminal Code, but it will be impossible for me at third reading to discuss all those changes which were examined so carefully by the committee. As hon. members know, the bill was first introduced on July 17 last. During the fall session of parliament, before Christmas, it received careful study in the Standing Committee on Justice and Legal Affairs and was reported back to the House just before Christmas. I am most grateful for the work done by the members of the Justice and legal affairs committee and grateful for the assistance they have given me with this bill.

This afternoon I shall mention only four aspects of Bill C-71, namely, provisions relating to juries and courts of appeal, those relating to amendments to the Bail Reform Act, amendments relating to organized crime and amendments relating to drinking drivers. Once these amendments are proclaimed and become law, it will no longer be possible for a court composed of a judge and jury to have its verdict of acquittal reversed and a conviction substituted by an appellate tribunal. The jury system has throughout the years, and for generations, proven to be a system that produces justice which is both understood and accepted in our society. If hon. members accept what is proposed in this bill, the law will be clear and in future a person who chooses trial by jury can only be convicted by a jury.

While the particular case which brought this issue to a head involved the prosecution of Dr. Morgentaler for a violation of the abortion provisions of the Criminal Code, the fundamental principle involved in the amendment sweeps beyond the controversy that swirls about those provisions of the Criminal Code relating to abortion.

Second, I want to touch on the subject of bail. With respect to the bail reform legislation which was enacted in 1972, the legislation reflects amendments which are considered desirable in the light of experience since 1972. Since becoming Minister of Justice, I find, after talking to

lawyers, including defence lawyers, citizens, judges, prosecutors and police officers, that much concern has been expressed that people who are dangerous to society are obtaining bail too easily. Over and over, in criticizing the criminal justice system, people say to me, "Mr. Basford, we agree with the underlying principle of the Bail Reform Act, but it is being abused and taken advantage of."

The amendments which are incorporated in this legislation are badly needed and have general acceptance and endorsement both at the federal and provincial levels. The law must also seek to protect society as well as the accused, and it seems not unreasonable to me to require that certain types of accused should have to convince the magistrate that they should be released on bail. It seems not unreasonable to me that certain classes of accused persons should have the onus put on them to show that they should be released. Pursuant to the amendments now before the House, those on whom the onus would fall would include, first, those who while out on bail commit another offence under the Criminal Code; second, those who violate the bail provisions upon which they are out; third, non-residents of Canada; fourth, those charged with murder; and fifth, those trafficking in or importing narcotics or conspiring to traffick in or import narcotics. It seems self- evident that society at large is entitled to the assurance that those five groups will not be granted bail without first having to convince a magistrate or judge that they should be granted bail.

The general rule under the Bail Reform Act remains. It is, I think, a good principle. It remains the rule for all other accused persons, that is, for those who have been arrested. If an accused has been arrested, he should be released unless the Crown satisfies the magistrate that detention is necessary to ensure that the accused will appear at his trial, and that it is necessary for the safety or protection of the public: this may include consideration of any substantial likehood that he will commit a second criminal offence. That is to say, all classes of accused other than the ones mentioned will be released under the provisions of the Bail Reform Act of 1972 unless the Crown can show that there is a likehood that they will not appear for trial after they have been released, and that detention is necessary in the interests of the protection and safety of the public, which includes the likelihood that they will commit a second offence and therefore should not be released.

● (1510)

My concern in moving the amendments in Bill C-71 and the further amendments I moved in committee was to ensure the protection of the public against the likelihood that the accused would commit another offence while out on bail. As hon. members know, however, we in this House can write all the laws we want, but if they are not argued by police or by Crown counsel and are not properly applied by magistrates, they will not effectively protect the public interest in accordance with the principles that underlie the legislation. These amendments, when proclaimed, will give to police officers and to prosecutors a proper legislative basis upon which to argue the granting of bail. Obviously, if they cannot meet that test provided in the legislation, the accused should be out on bail.

Any tightening of the bail provisions may mean that more accused are in custody awaiting trial, although the objective of these new provisions is to protect the public from such persons while awaiting their trial. It is essential, in the interest of justice, that everything possible be done to speed up the process between the time of arrest and trial, and not only to speed up that process, in the interest of those who are ultimately found to be innocent, but also to avoid some of the game-playing that goes on in court by professional criminals and their advisers. Of course, the more delay between the time of arrest and the time of either declaration of innocence or conviction, adds to the immense cost to the taxpayer and to the cost of the whole administration of the criminal justice system. Therefore, it is essential that at the federal level, parliament, and the local levels, positive steps be taken to ensure that the process between arrest and acquittal or conviction is as effective and speedy as possible. Bill C-71 contains some provisions that will assist in that regard.

The measures relating to summary conviction trial, the elimination of grand juries in all provinces except Nova Scotia, the provisions relating to absconding offenders during preliminary hearing or trial, the changing of the eight-day rule on adjournment, and the provisions relating to loss of jurisdiction are some measures that are no longer required for the protection of the accused before the courts.

Obviously, this is only an initial step in the much larger process of reducing the time between arrest and trial and of improving the whole process of the criminal justice system. I am looking at steps within my department, in terms of reorganization, by which it can be more effective toward this end. I am discussing, examining and exploring with members of the federal Law Reform Commission what they can do in terms of recommendations to speed up the process between arrest and trial. At the moment, I am quietly talking with provincial attorneys general because, of course, much of the question of administration of justice is clearly within their jurisdiction. We are discussing ways in which we can work together to accomplish this end. I have pointed out the provisions in Bill C-71 which I think are important with regard to changes to the Bail Reform Act to overcome what I view as very legitimate criticisms of the original legislation which has been open to abuse and taken advantage of.

I want to address myself briefly to the question of organized crime. As hon. members know, the activities of organized crime in some parts of this country have come very dramatically to light and public attention by reason of the provincial commission of inquiry into organized crime in the province of Quebec. One of the problems in this connection is the ease with which the procedures of crime, including organized crime, may be hidden and diverted from the law enforcement process through laundering devices.

Hon. members will appreciate that in the area of commercial fraud, more and more sophistication is being brought to bear. With a view to counter-attacking in that field, Bill C-71 provides an amendment by which it will be possible to deal with what is generally known as laundering of moneys acquired by unlawful conduct. The essence of the proposed amendment strikes at criminal activity on a national and international scale. Under current law, it is an offence to be in possession of property obtained illegal-

ly whether in Canada or elsewhere. Under the proposed amendment, it will also be an offence to be in possession of proceeds of any property obtained by an offence committed either in Canada or elsewhere. For example, stocks and bonds might be converted into forms of property and passed through various companies which appear to be legitimate but are actually controlled by organized crime, thus hiding from detection. The amendment would allow those proceeds, or fruits of organized crime to fall within the ambit of the Criminal Code and the ambit of our law enforcement officers.

The amendment relating to organized crime is, as hon. members know, under these provisions. The growing international nature of criminal activity has prompted a new provision of the Criminal Code whereby it is made an offence to conspire in Canada to commit an offence out of Canada, and to make it an offence to conspire out of Canada to commit an offence in Canada. Regarding the first case, Canada should take a stand against those who use Canada as a planning base for criminal activities. An example of the first situation would be where directors of a company incorporated in Canada conspire in Canada to fleece members of the public or investors in another country, bringing great disrepute upon legitimate Canadian investment dealers and investment promotion.

The second case is aimed at deterring people who may or may not be Canadian citizens and who plan criminal activities in another country for actual execution in Canada. An example of the second case is where persons abroad conspire to commit in Canada acts of violence whether or not such acts are criminal in the country where the conspiracy takes place. For example, a group of terrorists could conspire outside Canada to commit acts of terrorism within Canada.

In relation to organized crime, I mention just in passing the measures relating to the obliteration of serial numbers which assist law enforcement officers in relation to some international aspects of car thieves, and measures relating to making this an offence. I am paraphrasing the legislation. This bill makes it an offence knowingly to use stolen or fraudulently obtained credit cards which, again, are a device of national and international crime.

The fourth point I want to raise with regard to Bill C-71 relates to drinking and driving. As hon. members are aware, parliament in 1969 adopted the breathalyzer test and made it an offence for a person to have in his system .08 per cent of alcohol while driving. The legislation also provided that where a peace officer had reasonable grounds to believe that someone was impaired, he could require him to submit to a breathalyzer test. If the person refused, the refusal in itself constituted an offence. The new amendments are designed to enable law enforcement authorities more readily to identify persons who because of their alcoholic condition should not be on the road.

● (1520)

It should be borne in mind that roadside screening does not in itself establish guilt or innocence, but is merely an aid to indicate whether or not a driver should be required to submit himself to a breathalyzer test. The roadside screening test can only be applied when a peace officer has reasonable cause to suspect that the driver has alcohol in his body. I believe that the awful carnage precipitated by drinking and driving on our streets and highways, partly because of drinking drivers, is in itself justification for what these amendments propose. One need only be reminded of the facts to recognize the seriousness of the situation. In 1974, 6,000 deaths occurred on our highways, and 230,000 injuries. The amount of $1.3 billion was lost because of these deaths, $1 billion were lost as a result of absence from work associated with traffic accidents, and medical bills amounted to $250 million.

It is often impossible to say how many of these deaths and injuries are directly related to drinking drivers, but we do know that the proportion is high. It seems to me, therefore, that this alarming and awful carnage which is reflected almost daily in headlines in our newspapers is in itself justification for what these amendments propose as a means of providing law enforcement agencies across the country with a proper and legal basis to run roadside screening tests to deter those who drive an automobile after having taken alcohol.

I am sure hon. members will recognize the areas I have touched upon today as areas of serious concern to law-abiding citizens everywhere. The bill before us contains a number of other amendments which have been discussed both in this House and in committee. I emphasize that all the amendments are designed to improve the present law in one way or another. Some are purely technical in nature. Others—and these are the ones which I trust will be particularly welcomed by professionals and laymen alike—will contribute to the protection and control of individual as well as organized criminals.

In closing, I wish to thank the members of the Standing Committee on Justice and Legal Affairs for their work in carefully examining this bill in committee. I commend the measure to the House and hope it will pass in an orderly way so that its provisions may be proclaimed and this country may have the advantage of the improvements it contains.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my first words this afternoon must be to congratulate the Minister of Justice (Mr. Basford) for exercising a very important ministerial discretion in the Morgentaler case.

Some hon. Members: Hear, hear!

Mr. Woolliams: As a result, Dr. Morgentaler will have the right to a new trial. I think the minister would be the first to agree that the suggestions made to him with reference to this matter, particularly in reference to the right of appeal after the accused had been acquitted by a jury, came from a very distinguished lawyer in this House, a former prime minister, my right hon. friend from Prince Albert (Mr. Diefenbaker).

Some hon. Members: Hear, hear!

Mr. Woolliams: I am very happy that the new Minister of Justice has sufficient flexibility of mind to enable him to accept the suggestion made by the right hon. member for Prince Albert and, of course, by other members of the House who joined with him. Once again, I congratulate the Minister of Justice. I hope that in exercising the kind of discretion he exercised the other day, he will bear in mind

another matter which is before him now, the Latta case, concerning a member of my own profession, a distinguished scholar, a professor at Queen's University who was convicted in the city of Edmonton by judge and jury of the very serious charge of murder.

I wish to refer to this matter for a few moments before we consider some of the changes in the Criminal Code, because it is relevant to what I have in mind. One of the greatest problems related to appeals in serious criminal cases is that unless there has been a mistake in law by the judge in instructing a jury, or unless—this is very rare—the decision of the jury is so perverse that this in itself becomes a question of law, it is seldom if ever that a court of appeal will upset a verdict.

I mention this having regard to the seriousness of the case and many submissions which are now being made, in the hope that the Minister of Justice, having made use of an unusual procedure in granting Mr. Morgentaler a new trial, will not be deterred from exercising the same kind of ministerial discretion on other occasions when the need arises. It may be that he will be subject to some criticism. It may be suggested that if he were to do the same thing twice in one year, or twice during his tenure of office, he would be following a new kind of practice. But I maintain that these are unique cases, cases which call for the kind of assessment which has been made by the Minister of Justice.

I wish now, on third reading of this bill, to put forward a few facts in relation to the increase in crime. I hope that the Minister of Justice, who inherited this legislation from the former minister of justice—hon. members will recall that when he first took on the job he talked about bringing laws before parliament to control the ever-increasing crime rate—did not leave the impression, and I am sure he would not do so, with the public at large that Bill C-71 is the instrument he had in mind to bring about these necessary amendments to the law to stamp out organized crime and reverse the present tendency of the crime rate to increase.

I want to put a few facts on the record having to do with the increase in crime, and I wish the Solicitor General (Mr. Allmand) were here while I do so. In 1974-75 the murder rate in Canada went up by 18.8 per cent. Breaking and entering increased from 48,625 in 1974 to 54,982 in 1975, that is, a rise of 11.3 per cent—something like inflation. Consider the increase which has taken place in the crime of robbery with violence. We have heard a lot of talk about legislation to control the possession of handguns and other firearms. It is like Alice in Wonderland: jam yesterday, jam tomorrow, but never jam today. The present Minister of Justice can be distinguished from the former minister and the one before that. He is one Minister of Justice who did practice law. He has had some experience at the bar as defence counsel. I do not know whether he ever prosecuted or not, but he is one Minister of Justice who isn't all theory.

● (1530)

In 1974 there were 1,214 robberies with violence and firearms, and in 1975, 2,106. That is an increase in crimes of robbery with firearms and guns of 70.9 per cent in one year. Crime is on the increase.

[Mr. Woolliams.]

Kidnapping is one of the worst types of crime society is facing today. People who are in responsible positions and getting a salary like the former minister of finance, of $200,000 a year, are always in danger of their children being kidnapped when they leave school or go to the park, or their wives being kidnapped for purposes of extortion. Not long ago I raised the case in the House of a girl who was kidnapped, put into the trunk of a car and kept there for nine or ten hours while the car was put in the garage. She was very lucky to survive. Across the line a very important case concerning Patty Hearst is commencing with the picking of the jury. Kidnapping and extortion are the worst type of crime; they are a plague and a blight on people who cannot defend themselves. Kidnappings increased in 1974 by 40.1 per cent, so I hope something will be done to provide in our law a deterrent to this crime. Before leaving that subject, every person in public life is in danger of having members of his family kidnapped, and so are others who are not able to defend themselves as we may be able to. With regard to rape convictions, there were 348 in 1974, an increase of only 4.3 per cent. Crimes of rape, kidnapping, robbery with firearms, breaking and entering and homicide are all on the increase.

My good friend the Minister of Justice dealt with bail reform, which he would be the first to admit the former minister of justice introduced. I think all practising lawyers realize that bail should be the right of every citizen, but it is a right that has to be used with some caution. As the minister said today, there are many cases in big cities of a person out on bail committing the same kind of crime with which he had been charged, perhaps in a different place and under different circumstances, and he does so several times before the first offense is brought to trial. I am glad that that hole in the bucket has been plugged.

I want to bring to the attention of the House something that happened over the Christmas recess. I was telephoned by some newspaper people in connection with a case in the city of Hamilton. It had to do with the law we passed regarding wiretapping. I had some reservations about putting so many "ifs" and "buts" into that law. Although it is very easy to criticize it, it is far easier to see the weaknesses of a law once it is in operation.

I understand that certain police officers obtained authorization through the Crown attorney, under the act, to obtain an order to wiretap a telephone conversation. I believe that the chief or the deputy chief of the city—I do not know his name, since I was called on the telephone—discovered that one of his chief officers was involved in syndicated crime. When the Crown attorney attempted to put in the record of the telephone conversation as evidence, the defence, and properly so—I will not bother to read the section of the Code—objected to it on the ground that they had not obtained authorization regarding the other party to the conversation who was talking to the police officer, and so the evidence was ruled inadmissible.

As a result, a very responsible and highly placed public official, one who administers the law of this country in that city, had the telephone conversation been put in as evidence would have been connected with some syndicated crime, yet he walks the streets today an innocent man. I have had similar experiences, as I know have the hon. member for Peace River (Mr. Baldwin), the hon. member

for Fundy-Royal (Mr. Fairweather) and other lawyers, where you can successfully defend a man on some technical ground of this nature. The law must be administered fairly and squarely.

My point is this, Mr. Speaker. All of us are for reform. We all want to see the best system of justice. None of us wants to read about the sort of thing raised by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—solitary confinement in jails and poor conditions in our penitentiaries. We want to better those conditions. But at the same time, particularly at this period in our society, we must weigh very carefully the reforms we do bring in. Such reforms might have been beneficial a few years ago, but today, with the new kind of criminal mind and syndicated crime, we must not allow some pretty dangerous people to go free so that they can plague society with the kind of behaviour to which all of us who are trying to be law-abiding citizens object.

When the minister took office he said—I do not think I am misquoting him—that he would bring in laws, which he would ask parliament to pass, that would control crime. I have already indicated the percentage growth of crime in one year. I realize the minister inherited this bill, but I hope he has other measures in mind for controlling crime, particularly kidnapping which is on the increase, and extortion which is a horrible crime.

I should like to refer to one thing the minister said when he was before the committee. I think he was advised by the president of the Canadian Bar Association so he would not be saying anything that was incorrect. Several members of the Canadian Bar criminal law section gave evidence before the committee and I want to put on record what the president said about the Canadian Bar. Although I think we should always get direction from the Canadian Bar and the Bar Associations, and without being at all critical in saying this, often the presidents of those associations have a civil law or corporate law practice and are not experienced in the rules of evidence and the terms and provisions of the Criminal Code.

I think the impression was left that the president of the Canadian Bar Association endorsed the changes that were made, but the head of the criminal section of that association had this to say at page 26 of committee report No. 32 for December 4, 1975:

> There was some comment in one of the issues of a house journal of the Canadian Bar Association which indicated to me as a reader, and I believe to my colleagues, that the president of the Canadian Bar Association was basically in favour of Bill C-71. The then president was Mr. Somerville. Certainly it is our position that he did not speak for us. We were not consulted. We do not think that he consulted the criminal justice subsection of the Canadian Bar Association, particularly in view of the resolutions which were later published in the same organ but in a later issue. We feel that there is no excuse or no reason to believe that the practising members of the bar, the criminal bar, who belong to the Canadian Bar Association feel any differently than we do about these amendments.

● (1540)

He criticizes some amendments that I will deal with right now. What I wanted to point out was that the criminal section of the Canadian Bar Association did not endorse some of the changes that have been made. What are some of the changes that have been made? I have dealt previously with some of these, so I can do so now quite briefly.

I endorse the change in reference to corroboration under the rape section. I would go even further than that in respect of the right of defence counsel to cross examine the complainant regarding her past sexual experience with others or the person named in the complaint. As the new amendment is worded, the judge can grant leave if he finds it is material to the defence of the accused. I think that is good, but I would issue this caution, a caution I have often repeated: rape is one of the easiest charges to lay and it is sometimes one of the most difficult to defend. The whole thing hinges basically on the question of consent. I have pointed out very carefully during any discussions about this subject that even a prostitute can be raped. This involves basically the question of consent.

The removal of the right to cross examination is good, because often the complainant is treated more like the accused and it is very difficult for a female to give evidence under those circumstances. On the other hand, I hope the courts will consider very carefully these exceptions. There may be cases where this is necessary, because a conviction under the rape section is a very serious thing and carries a penalty of life imprisonment, depending on the circumstances. In endorsing that amendment, that is a caution I would put forward.

Let me go into something else for a moment. This has reference to the breathalyzer test. There is not a member of parliament nor a member of the legislature, whatever his political views may be, who would not agree with the Minister of Justice and many other speakers who have said that alcohol and gasoline just do not mix, or that the incidence of accidents in the cities, particularly those with heavy traffic, increases proportionately to the amount of alcohol consumed.

On the other hand, one has to exercise a little caution when changing the law in respect of liquor. I guess I am being pretty brave with my political life when I say this because I may receive some criticism as all the publicity has been in favour of the use of the breathalyzer. But we must remember that it is certainly against our common law when we change the concept of a person being innocent until being proven guilty. The breathalyzer is a good thing, but once you have been forced to take a breathalyzer test you have to go on the stand in your own defence. You may be totally innocent but belong to the Civil Rights Committee of Canada and refuse to take a breathalyzer test, and in that event you are guilty. The first offence may involve a fine, but on a second conviction you will go to jail, and on a third conviction you are liable to imprisonment for three months.

Like many others, I have asked the Minister of Justice why he has included this mandatory sentence. I asked the Minister of Justice, in respect of violence with the use of firearms, why he did not also include a mandatory jail term of a number of years in the penitentiary. Surely there should be some such penalty for extortion and kidnapping. The minister has said that he has never believed in a system with that kind of jurisprudence, even in criminal cases, because he has felt this should be left to the discretion of the criminal judge in sentencing. Let me go very quickly to the point I am trying to make. Surely if we are

to have a mandatory sentence in respect of a second conviction for refusing to take a breathalyzer test, we should have a mandatory prison sentence for people convicted of going into banks and kidnapping children and wives for the purpose of extortion. That seems only logical.

Let me say something about the sale and consumption of liquor in this country. I suppose it is true to say that many of us have been called to many bars. Let me point out the hypocrisy of many governments, and I am not referring particularly to this government. In 1974 the federal government took in, through excise duty and customs tariffs on liquor, $278,140,199.83. In 1975 the people were much more dry and much more thirsty, and the federal government obtained revenue from the sale of liquor amounting to $310,915,395, an increase of about 11.8 per cent. I do not have similar figures in respect of provincial revenues, but I have read articles that would indicate the provinces take in about the same amount.

One only has to go to the embassies in this country to find out how much tax is being charged on a bottle of liquor. I understand the embassies pay $2 or $2.25 for a bottle of liquor for which I pay $7.85 at the liquor store—when I go, which is not that often.

An hon. Member: And that's not very good rye.

Mr. Woolliams: Someone points out that that is pretty cheap stuff. The point I want to make is that governments are getting millions of dollars a year from the sale and consumption of alcohol in one form or another. The provinces have jurisdiction over various cocktail lounges and all sorts of outlets. All the provinces and the federal government have to do is sit back and wait for the revenue to roll in.

All the police in this country have to do is sit and wait for people to come out of these bars or to leave their country clubs after playing golf some afternoon. I do not know where we would find all the jails to hold all these people if every one of them was given a breathalyzer test. One only has to drink two average drinks of two ounces or one and a half ounces to come within the limit. What I am suggesting is that there is a great deal of hypocrisy on the part of governments of this country, because the more the people drink the more revenue governments obtain, yet the same governments have almost adopted a policy of prohibition in respect of drinking offences. There has to be some balance.

The thing I do not like about this new section is that it says the peace officer must have a reasonable suspicion before requiring an individual to take a breathalyzer test. In the criminal law as it stood, the peace officer had to have reasonable and probable grounds for such belief. An officer could not just stop anyone that he felt should take a breathalyzer test. The hypocrisy lies in the fact that the peace officer must now only have a reasonable suspicion. So road blocks can be set up and there is no difficulty. If one does not take a breathalyzer test, one pays a fine on the first occasion and on the second and third occasions one goes to jail for a period of up to two years. I think that is correct; yes, it is imprisonment for not more than two years.

[Mr. Woolliams.]

● (1550)

If it is right to lay down those penalties, then it is right to have mandatory, minimum penalties for people who commit rape, armed robbery with violence, or use firearms. We cannot have it only one way. A great deal of advertising and promotion has been going on day after day and week after week on television. I know severe steps must be taken to stop the mixture of gasoline and of alcohol, and we are dealing with that. However, when we deal with the law, the law must be practical and, above all, it must be just. It can be just only if it is just in respect of all offences. Why should we pick out merely that one? There is not even a minimum sentence, under certain circumstances, for criminal negligence of manslaughter. Those are the things which concern me.

There is one other point I should like to make. The new law is quite flexible. Appeals from summary convictions are called trials *de novo*. A trial by summary conviction means that the person is charged with a lesser offence. The Crown may charge a person with an indictable offence, which involves a more severe penalty than summary conviction. If a person is convicted on summary conviction, the appeal is from the provincial judge, formerly the magistrate, to the district court, and all the evidence may be presented again. The whole matter is reviewed in the form of a brand new trial. In fact, witnesses may be called, at the appeal to the district court, who had not been called previously.

I suppose there has been some abuse of that practice, because lawyers sometimes would have a trial run before a provincial judge and then go to the district court. There is something I wish to point out which I know the minister and hon. members who have practised law understand. In the provincial courts, judges have to sit all morning. Anyone who attends these courts will realize how many cases a judge hears in a day. The judge does not have time to weigh all the pros and cons. There is, of course, the safeguard that in exceptional cases the whole thing can be reviewed by the district court. In some cases the magistrate merely says, on the basis that the Crown witnesses and policemen are honest, that he finds the accused guilty. That is a finding of fact and there is no appeal unless there is a rehearing and a re-evaluation of the witnesses.

That is the weakness of our system. A judge who is a friend of mine, in many cases takes the position that wherever the plaintiff's evidence differs from that of the defendant, he accepts the evidence of the plaintiff. Then the court of appeal is in the position of having to say it is sorry, but the judge has clearly decided the facts and the appeal is on those facts. The court of appeal points out that the judge did not believe the evidence on one side but he believed the evidence on the other side. We got this half a loaf from the minister. We are all happy that he repented. He said the law would be left similar to what it is, but that there will be an application to a district court to direct whether or not there shall be a new trial.

There is only one flaw in that. Knowing judges as I do—many of them are good friends of mine and I hope they remain so—they are liable to say that they do not want all the hard work involved, and very often will not exercise the discretion. It will become a very rare discretion, if ever it is used. I am not at all happy with that amendment, but

it is better than no loaf. We can only hope that the rules in respect of that kind of discretion will be made by judicial law.

Having said that, our party accepts the changes in the Code. I have pointed out some weaknesses. Some of the weaknesses I have pointed out are my own ideas. On the whole it is good legislation. My last word to the minister is that if he has a package with which he thinks he can cut out or reduce crime, I wish he would bring it forward, because he inherited this from the former minister and he must have a package somewhere which he can bring in. He said he would bring in legislation to look after crime. I would hope, when he is thinking about that, we might have the same kind of royal commission or inquiry they have had in the province of Quebec to find out where all the crime lies. Had we not had that inquiry in the province of Quebec we would never have known about all the bad meat. Why, in the name of justice, the Liberal federal government challenged the legislation, the authority and the jurisdiction is beyond my comprehension, because that opened a can of worms. I am glad they held the inquiry. We have been begging for the same thing on a federal basis.

I am glad to see the hon. member for St. John's East (Mr. McGrath) here, because he has a good point. The other evening I watched a psychiatrist on television who said that the human mind at a certain age is exposed to violence day after day and hour after hour. He said this will affect the mind and some people will resort to violence. I understand that Miss Judy LaMarsh is conducting a very important inquiry in the province of Ontario. I hope the federal government will follow suit and have a similar inquiry across the nation to find out what effect this has on the children. This psychiatrist went further than I would. Had I said that, I would have been accused of being a redneck or something similar. The psychiatrist said that the exposure of youth in the drug stores to pornography hour after hour and week after week may be the reason that the number of rape cases is so high. He went that far. I do not know if that is right, but I do say we should set up an inquiry to find out what some of the experts in these fields feel about this problem. Maybe if we had those facts, the people who draft the legislation under the direction of the minister would be able to bring in some laws to clean up society.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise, first of all, to congratulate the minister on a very sensitive, compassionate and sensible judicial decision in the Morgentaler case. I want to start off by giving the minister a pat on the back so that he will be in a better position in respect of some of the other remarks I shall make.

I think we should speak for a while in the House about the things that are not contained in the bill. I know the answer the minister will give is that we should wait. As the hon. member for Calgary North (Mr. Woolliams) said, it is jam tomorrow. The minister will say that this omnibus bill will solve all our problems. I have been here since 1972, and I and all members are waiting to see what kind of approach the government will take to crime. We must talk in this House from time to time about the causes of crime. After listening to the hon. member for Calgary North, I must say I am sometimes confused in respect of some of his comments about crime, but I want to give him credit for what I believe to be a very progressive statement he made on second reading of this bill. We may disagree from time to time about the right approach in terms of penalties, but I think the causes of crime he outlined in *Hansard* on November 18 should be repeated in this House because I think he covered one of the real problems which we are not attacking. This is what he said:

> —I have felt for years that we must get at the breeding grounds of crime. What are those breeding grounds? Crime breeds in cesspools of injustice. Wherever there is injustice, crime will breed. It breeds in the urban slums or in the fast-growing cities of Canada. Urban poverty makes people the victims, not the masters, of their environment. A bad environment becomes the hereditary property of succeeding generations. When I travel to various areas of this city, I see children who are forced to play on concrete and cement without necessary parks which are large enough to be playgrounds. The situation is worse here than it is in Calgary. These children are brought up in conditions which foster crime.

That is a very progressive statement on the subject of crime. If we are to deal with the causes, we must not only examine where criminals come from but we must examine who they are. I would suggest that if anyone goes to our maximum security institutions where we find the worst offenders, those people about whom we cannot do anything, it will be found that the average prisoner there has an education of about grade 6. These people have been rejected, first by their families, then by their school and then by their peers. So they isolate themselves into a tiny group. That group is consistently made up of people with a strong ego and high intelligence, people who are anti-social and quite often with a learning disability. Also, quite often they are mentally ill. One could ask how they became mentally ill, whether our institutions have made them that way or whether they were that way before.

● (1600)

What I do not see in the bill, and what I am hoping the minister will attend to perhaps in the next bill, are the M'Naghten rules. I hope he will take another look at the question of whether we are applying a proper standard in terms of those who are mentally ill and are committing crimes, because I can tell you that in the maximum security institution in my riding a great many of those people should be in maximum security in a mental hospital and not in a penal institution which is not able to provide any help for them. I am not suggesting they should be released; I am suggesting that many of those who have damaged psyches should be under treatment and should not be placed in solitary confinement, and they should not be released until we are satisfied that they have recovered.

There are people in those institutions with paranoid delusions about the people who put them there, about the defence and prosecuting lawyers and about the judges. They are ill and they can be dangerous if released. What I am saying is that we should take another look at the M'Naghten rules. We should get back to the question of whether anti-social behaviour is the result of mental aberration and whether it should be treated, or considered a crime and punished. I look forward to a reassessment of that question.

I am disappointed at the fact that when the minister came to the question of organized crime, he did not mention the co-ordinated law enforcement unit in British

Columbia which I think should be given some credit. John Hogarth and his group in British Columbia have really done an excellent job, and I am pleased to see that the new government in B.C. is carrying on the program of co-operation at all levels to get to the top of the drug rings and to move up in the scale of people we arrest, because up to now we continue simply to catch the small fry, which does not really solve any of these criminal problems.

One of the things that is not in the bill, and it concerns me a great deal—I know it concerned the hon. member for Calgary North on second reading—is the question of publicity during a trial and the effect that such publicity can have on an individual. When I was defending people while practicing law, I knew that the fact that the name of the man who was charged appeared in the newspaper was as good as a conviction, because the penalty for a person who is brought into total disgrace in his community through being charged with an offence and having his name published can often be worse than the conviction itself.

We had this tragedy in Ottawa not too long ago when a person charged with a sexual offence committed suicide because of the nature of the alleged offence and the terrific embarrassment to him and his family. We in the profession often are so closed in in our own little world and are so closed in in the game of the adversary system in the courts that we sometimes forget the human realities of the people whom we represent and we forget the effect on them.

I say that that is a violation of the presumption of innocence to a very serious extent because, although I do not disagree with the public's right to know, what I say is that the public's right to know is not necessarily the instant that the charge is laid. So long as the information reaches the public, the principle of freedom of speech and the principle of the open court system is not eroded.

I am pleased to see the minister paying such close attention to the debate, and I hope he will take another look at the matter of the right of the public to be informed and when it should be informed. The refusal to publish the proceedings of preliminary hearings can be very useful both from the point of view of the defence and the prosecution. When you are defending someone who is charged with an offence—let us assume that he is charged with a sallacious offence such as indecent assault on a young person—surely letting the public know who this person in their midst is after conviction is soon enough. Doing so beforehand is tantamount to sentencing that person to purgatory for the rest of his life. Sometimes the press is most insensitive in its anxiety to see that all the information is released. People from the press are sometimes terribly insensitive regarding the right of the individual to some privacy in a serious situation.

Another area that we should consider, in terms of publicity, is the effect not merely on juries but on the whole public of violent and sallacious reporting such as we get in some of our worst magazines. I am not referring to the major dailies, which tend to be a little more responsible, but I look with sadness at some of the publications we see on our local newsstands which use crime in a most exploitive way and which pander to the worst emotions in the population. That could clearly affect the judgment of a jury picked for a trial in such a case. So I am asking that the minister give serious consideration to redesigning the rules concerning publicity around the courts, particularly with regard to charges that are laid.

I want to say a word or two about the individual in our society who, either through brain damage or bad environment—no matter how it happened—is incapable of feeling any remorse for his crime or compassion for the victims of his crime. It seems to me that if we are going to make any progress in terms of reducing the incidence of horror and crime in this country, we will have to identify the psychotic, dangerous personality much earlier. That does not mean to suggest that punitive action should be taken earlier. It simply means that an assessment should be made such as we do for those with learning disabilities and other problems in schools. Let us try to identify someone who is acting in an anti-social way in the early days of his school life, and see whether some assistance can be brought to the community to prevent the kind of dangerous and violent activity which occurs. Admittedly, there are very few such people, but there are enough to make our society feel suspicious that we are under attack by criminals.

● (1610)

The right answer for those who are worried about a break-in of their house, or a mugging, is not to get a dog, lock the door and buy a gun; the right answer is total community response to the problem of crime, the community working co-operatively toward a solution. I have talked in this House many times about the proliferation of guns and the fact that it is not a solution to crime. Not only does it not solve crime, but it does not provide any protection to the individual. Anyone coming to your house to break in will probably bring a gun along for protection if he thinks you have one. In fact, at the moment the chances of being robbed are greater if it is known that you have a gun, because that is one of the things most people in the business of breaking and entering are seeking.

I am concerned about some of the things that are not in this bill, Mr. Speaker. The law reform commission's study on local enforcement in the Toronto area should be looked at. Statistics on declining crime in that project area showed that through community involvement, instead of throwing everybody into jail or charging them, the number of family disputes and minor crimes has dropped. Our police must be part of the community and not be isolated in cars. I should like to see the policeman back on the beat, knowing everybody in his community so that a rapport or relationship could develop and he could prevent crime before it occured.

Our emphasis continues to be on increasing penalties after the crime occurs. We should move into the area of prevention through the local police officer anticipating the problems in his area. He can only do that if he knows the people and develops a personal, friendly relationship with those for whom he is responsible. There is no point in giving the policeman the responsibility for enforcement of traffic regulations in the whole city of Vancouver when he should be maintaining law and order and preventing crime in an area known to him and where he is known to the people who live there.

I should like to say a word or two about the bill itself, Mr. Speaker. This party supports it. We think some of the provisions are progessive and some of the drafting of the

bail reform provisions is excellent. One provision on which I have not heard too much comment is begging while armed. This has been a major problem in the Vancouver area, I do not know about other areas, and the minister is to be congratulated for responding to the problem.

I have some reservations about the changes in the impaired driving provisions. In a sense, mandatory penalties are an erosion of judicial discretion. Perhaps those judges who have complained from time to time about the mandatory sentencing provisions should look at the way they co-ordinate sentences. Our of the reasons for mandatory sentencing in Canada is that the public is obviously dissatisfied with the penalties imposed by the courts. If we could better co-ordinate sentences and the reasons for sentencing, perhaps we would not need a mandatory sentencing provision. Quite often in a case where there is real merit, where a mandatory sentence should not be imposed, the courts have no discretion and as a result there is severe injustice.

I am not upset about the increase in mandatory penalties in view of the epidemic of driving offences in the country. I think a lot of people have reservations about the roadside screening provision, however. That is clearly a departure from the normal responsibility of the police officer to have both reasonable and probable grounds to conduct an investigation. I sympathize with the minister on this. It is a massive problem in Canada and I believe we will need more roadside screening in order to reduce the present carnage on the highways. I should like to see the minister use his influence with cabinet to apply to accident prevention the huge liquor profits and taxes that accrue to both the federal and provincial governments.

I should like to say something else about liquor, Mr. Speaker. In cases of motor manslaughter, where the driver had too much to drink, it is sometimes difficult to get a conviction. Some members of the jury may be saying, "There, but for the grace of God, go I". There is considerable sympathy for the accused. Sometimes members of the public get upset about acquittals in cases of criminal negligence. They do not understand that in this country we are all guilty of drinking liquor. It is a problem to judge how much liquor one can drink and then whether one should drive.

An hon. Member: It is a terrible habit.

Mr. Leggatt: It is a terrible habit and we should all give it up.

An hon. Member: If I were a Liberal, I would give it up.

Mr. Leggatt: Especially at $7.80 a quart as the hon. member for Calgary North suggested. But, Mr. Speaker, because it is such a culturally acceptable activity it is difficult for the Crown to get a conviction in a liquor offence. If you have 12 drinkers on a jury, you have a job on your hands. I think we should take note of the fact that we are heavy drinkers in this country. The hon. member for Calgary North suggested that in his area the country clubs were being screened and that police waited outside to catch people going home after a pleasant evening. That has been going on in the beer parlours in my riding for a long time. The police have been pretty thorough in picking up drinkers, but I am a little tired of beer parlour operators allowing people to stagger out of their premises and into a car, to be immediately picked up.

Surely there is some responsibility on the part of those who sell liquor to be careful about how much people have had to drink. Surely they should cut them off before it is too late. There have been instances where people have been helped out of a hotel, got into a car and then were arrested when they left the parking lot. I think those who operate hotels had better accept more responsibility in terms of preventing carnage on the highways.

I am delighted with the provision on theft under $200 which will now become a summary conviction offence. This is long overdue. People involved in shoplifting or offences of a minor nature formerly had a record of an indictable offence and this affected their future when applying for a job with a major corporation or the civil service. Shoplifting has been a widespread epidemic and the discretion to make it a summary conviction offence is useful. Actually, in some circumstances kleptomaniacs who may have engaged in stealing could be granted a conditional discharge where appropriate.

● (1620)

Mr. Baldwin: Where is the Minister of Finance (Mr. Macdonald) (Rosedale))? The hon. member has exactly described the fiscal policies of the government.

Mr. Leggatt: In this country it is unlikely that you can obtain much that is worth while for $200 or less. The increased penalty in the cruelty to animals provisions is also worth while, although I do not know why there is a maximum sentence of two years. Cases involving great cruelty to animals could warrant a more severe penalty. I congratulate the government for introducing discretionary powers for taking an animal from its owner because he has been cruel. This provision is particularly useful in cases involving people without the resources to look after animals.

I shall now talk about the rape provisions of the bill. From a legal point of view, these changes are substantial and useful. So far, the Criminal Code has been male oriented and our approach to rape has also been male oriented. I can give hon. members examples of what I mean. I remember a case involving two young lads who were charged with rape. I defended them. They had picked up a girl hitchhiker. I have no sympathy at all for any judge who says to a girl like that, "Why were you hitchhiking?" In that case I think she had a perfect right to hitchhike. Males hitchhike. Why should she be placed in a special category? Why should she be different, merely because she is a female, and not be on the highways? Why should she not be there? The implication of the judge's comment was that she was out there looking for trouble. In that case my clients were acquitted, but for other reasons.

Mrs. Holt: You should not defend the guilty.

An hon. Member: But they got off.

Mr. Leggatt: That is right. I must say that I had every sympathy for the poor girl. We saw in court a display of male chauvinism which I think was quite wrong. Second, I am glad to see a stop being put to the sort of salacious

snickering one sees in rape cases. In the past, the previous conduct of the complainant has been examined and the defence in such cases has inquired if she is a person of good repute, and so on. I take some responsibility for what happened in the case. It was my job to cross-examine the poor young lady, but I was as discreet and reasonable as I could be in that cross-examination.

An hon. Member: If that was the law, how dreadful.

Mr. Leggatt: Just a minute, Simma—

The Acting Speaker (Mr. Turner (London East)): Will the hon. member please address the Chair?

Mr. Leggatt: I am trying to explain to my friend, the hon. member for Vancouver-Kingsway (Mrs. Holt), that those engaged in defence work have the responsibility to defend their clients to the best of their ability. The point is that the law was wrong.

An hon. Member: You should not have done it.

Mr. Leggatt: The law was wrong, and I congratulate the minister for recognizing that the law was wrong. At the same time, everyone in this country is presumed innocent until proven guilty, and those engaged in defence work must do their best for their clients. The resources of the Crown are immense. It has the police, all the facilities of the law and all the resources of the state. The defendant has just his lawyer to look after him. We should not say to defence lawyers, "You should not use all the tools available to you." I merely say that the minister has introduced a useful change in the law. Frankly, there is no reason why a female's sexual history should be raised in court. I wonder if the bill goes far enough in changing the rape laws. I suppose we shall have to wait and see.

I now turn to the bail provisions. I think the draftsmanship is excellent. The amendment does not offend anyone's sense of civil liberties and does not negate the principle of presumption of innocence. The onus provision is just about right for dealing with the kinds of problems we face with regard to bail. I have some reservations about the summary conviction appeal provisions, and the abandonment of the trial *de novo* can make appeals more complicated. The profession was concerned in the past because many people lost their appeals on technicalities. We are still concerned about technicalities and want to see the rights of the accused protected.

When I began my remarks I congratulated the minister for his sensitive and good legal approach to the Morgentaler case, which involves the erosion of the power of juries, and erosion resulting directly from the decision of the Quebec Court of Appeal in that case. I still prefer the judgment of 12 people to the judgment of one man. I particularly trust the judgment of 12 people on questions of fact. Their judgment is based on common, everyday experience. They live the same kind of life as their peer group or the accused may live. I trust people who drink in a beer parlour to find out what happened in a beer parlour.

It was a sad day for the majority of Canadians when the time-honoured system of the jury was eroded by the appellate court decision. Certainly it was a sad day for the majority in the legal profession. Bear in mind that those who serve on juries serve at great sacrifice to themselves. They find the work difficult and taxing. If we allow courts of appeal to impose their verdicts on the verdicts of juries, the morale of all jurors will be destroyed. Why take a couple of weeks trying a murder trial, if the court of appeal will not think you smart enough to determine the facts of the case and impose its judgment on the judgment of the jury? I congratulate the minister for adopting exactly the wording of my private member's bill with respect to appeals. I am glad to see the stature of juries restored. However, although there is much good in the bill, there are also weaknesses in it.

I support the call of the hon. member for Calgary North for a commission to look into violence and pornography in society. I am not sure whether the hon. member outlined or suggested terms of reference for the commission. We must recognize that the medium is the message and is massaging the people, as McLuhan said. For example, consider how remarkably similar were the killings that took place at Brampton and the killings that took place in Ottawa recently.

Many crimes of violence depicted on television are duplicated in the community by some poor, sick soul who was inspired by what he saw to do some vicious, antisocial, criminal act. We should also study the effects of pornography. The rape rate is down this year, so that I am not sure if the remarks of the hon. member for Calgary North hold true. But we should study the effects of pornography and see if it dulls the senses. We should not wait for the Ontario commission to report, as there are many other urban areas in Canada. I urge the minister to give serious consideration to setting up a proper inquiry into the effects of violence as depicted on television, on radio and in the newspapers, and the effects of pornography as depicted by those three media. Particularly, let us look at the movie industry which is depicting hard-core pornography and has been for some time.

We must again look at the people in our institutions and ask ourselves what effect our laws will have on them and why they were sent there in the first place. The public's first reaction to violent crime is either to urge that the criminal be hanged, or that we lock him up and throw away the key. We should not ignore these options, because they are valid options at which we should look, but we must think about prevention. These are not preventive measures at all. We must get back to the question of the kind of society we live in. We live in a highly competitive society, a dog-eat-dog society. Sometimes the dog at the end bites the ankle of the one in front. If you are going to do anything about the causes of crime, you have to make this a more humane place in which to live. You have to bring the community together, but not in a dog-eat-dog, free enterprise system.

● (1630)

[*Translation*]

Mr. Francis Fox (Parliamentary Secretary to Minister of Justice): Madam Speaker, Bill C-71 now before us contains a series of amendments to the Criminal Code which constitute the first stage, but a very important one, of the government legislative program. The purpose of this program is, in fact, to assure in Canadian society the mainte-

nance of the physical security climate needed for the individual and social development of Canadians. Bill C-71 includes several amendments to the Criminal Code, amendments that have not held the attention of the media until now despite their significance. Some of these concern organized crime, such as the one that makes it illegal to use for legal purposes funds obtained in an illegal manner, as well as the one that makes illegal any conspiracy in Canada to commit offences abroad.

Also to be noted are substantial changes when it comes to bail, particularly in cases of murder charges, relapse into crime or drug trafficking. These changes, Madam Speaker, are meant to ensure greater protection against those who infringe on the basic social contract by attacking the basic right to physical security of any individual living in society.

Though they may not deal with the problem of organized crime, other amendments are nevertheless aimed at improving protection of the civic right to physical integrity. Thus, very stiff penalties will be imposed for impaired driving. I hope that those penalties will be noted, that they will receive wide publicity to reduce the number of impaired driving cases. The corporal as well as material damages specifically described with the support of statistics by the Minister of Justice (Mr. Basford), damages caused by people who have had too much to drink and insist on driving, are really excessive. I hope, Madam Speaker, that these penalties will lead to the consideration of the seriousness of this antisocial behaviour.

Finally, some amendments will protect the rights of the victim. The victim of a rape will no longer have to submit, except with the judge's authorization and in camera, to a thorough cross-examination of her background which often seemed to make her an accused rather than a victim.

Finally, the Criminal Code is amended to make sure that an acquittal by a jury can no longer be changed in a verdict of guilty by an appeal court. Indeed, I should like to mention in passing in this regard that it is obvious that when courts of appeal, whether the Quebec Court of Appeal or the Supreme Court of Canada, have in fact reversed the decision of a jury, they have been acting under an existing provision of the Criminal Code and have been in fact entitled to judge the case in question in view of the situation of the law at that time. It was up to Canadian Parliament to amend the Criminal Code. The situation at that time no longer corresponded to the needs of today's Canadian society.

I would like to come back briefly, Madam Speaker, on two or three aspects of the bill, namely the laundering of illegally obtained funds, bail provisions and drunken driving. First, let us consider the laundering of money obtained through crime: it is a well known fact—and several cases of this nature have been brought to light during the sittings of the CECO and other investigations into organized crime in Canada as well as in the United States—that organized crime is making an increasing use of illegally obtained funds, for instance, money obtained by prostitution networks, by trafficking of narcotics and drugs, by rings of motor vehicle thieves, and by something which is well known in certain areas of the south shore and Montreal, namely the protection industry. It is a well known fact that these illegally obtained funds are used to launch honest business ventures.

Under section 312 of the Criminal Code it is an offence to have in your possession an illegally obtained property. Under the amendment proposed in the House today, in future not only will the possession of illegally obtained funds be subject to prosecution under the Criminal Code, but also these funds can now be followed to their ultimate destination. This means for instance that if organized crime starts a business venture with funds obtained through the sale of stolen bonds, these funds will now be subject to the law.

The amendment goes further, and I believe it should be pointed out. It even forbids the use in Canada for legal purposes of funds obtained through underworld operations abroad. These are therefore important amendments, particularly in respect of organized crime when criminals try to lay out their illegal gains to advantage by buying commercial firms and operating legal activities.

I consider, Madam Speaker, that this is an extremely important development in Canadian jurisprudence. This is an additional tool we are giving to police forces, investigators and governments at both levels, provincial and federal, in Canada, and which will allow better control over the underworld and the mafia's sprawling operations and activities.

As to the bail, Madam Speaker, I would like to talk about it for a few moments. If there is an aspect which retains the attention of the public, it is very often indeed that of bail. Mass media do emphasize cases of people charged with an offence and who are let out on bail. We hear of it every day.

Madam Speaker, I think it is with good reason that many such cases are given prominence, particularly when the individuals released on bail commit an offence while out on parole.

In order to ensure better protection for society, Bill C-71 proposes thorough amendments to the Criminal Code as regards bail in certain specific cases.

At this moment, any person charged with a criminal offence must be let out on bail, unless the Crown attorney shows to the satisfaction of the court that the public interest requires he be imprisoned until his trial.

Bill C-71 establishes four exceptions to this principle. In these specific cases, it will be the responsibility of the defendant to show the court why he should be free pending his trial. This is therefore a reversal of the burden of proof which is very important and which should provide the public with additional protection without, however, depriving the defendant of his right to avail himself of the principles in which we all believe and, more particularly, of the principle of presumption of innocence.

In four very specific cases, it is the defendant rather than the Crown who will have to assume the burden of proof. It is the defendant who will have to prove that he is not a public danger and, secondly, that it is to be expected that he will appear before the court at the moment determined for his trial. First, when someone is charged with having committed a criminal offence while on bail, he will have to reverse the burden of proof himself. A citizen of a country other than Canada will have to do the same.

In both latter cases we are dealing with amendments which were brought forward to the committee by the Minister of Justice himself (Mr. Basford). They concern charges of murder, of conspiracy to commit murder or of drug and narcotic importation or, once again, conspiracy and traffic or drug and narcotic importation.

It goes without saying that very often, particularly in the case of drug trafficking, the criminals are freed on bail and shortly after return to the street to continue this traffic of drugs which has proved so disastrous for Canadian youths in particular.

Evidently, as I have said, this does not in any manner affect the principle of our criminal law which presumes any person is innocent until proven guilty. There are nevertheless cases when, for public protection, it is necessary to ensure the presence of the accused in court. We then have to be much stricter and the present Minister of Justice as well as the Crown had no hesitation in adopting a harder line and being very strict towards the accused.

In those cases, as I have already pointed out, it will no longer be incumbent on the Crown, and this bears repeating, to prove why the accused should be held in custody until his trial, but instead, it will be up to the accused to prove why he should be free, to the satisfaction of the judge. The burden will be that much heavier.

Madam Speaker, it should also be noted in passing that the government intends to impose considerably more severe sanctions for drunken driving. Once again, inebriety at the wheel, which plagues our society, is a practice that leads, all in all, to tragedies, as well for the driver as for innocent victims, because of a lack of control or because the wheel was not taken over by someone else when too much alcohol was consumed.

Madam Speaker, I should also like to note how interesting it is that a good part of the population should be aware of the penalties now provided for by the Criminal Code for drunken driving, as a result of having been accused of driving while intoxicated, according to the rate of alcohol stipulated in the Criminal Code.

For a first offence, the maximum penalty is therefore increased. At this time, the law provides for a minimum fine of $500, or three months in prison, to a maximum fine of $2,000 or six months in prison.

For a second or third offence, there are minimum prison sentences, the judge not even having the option to impose a fine. He must sentence the person convicted to a period of detention, while for a second offence the maximum sentence is raised from three months detention to one year. And in the case of any subsequent offence, the maximum sentence is increased from one year to two years imprisonment.

Now, this clearly indicates, Madam Speaker, the interest taken by the drafters of this bill in this serious problem, and their decision in conscience to try to put an end to these abuses and emphasize the seriousness of such an act. Those are some of the amendments contained in this legislation. As I said earlier in my remarks, Madam Speaker, this is a first stage which will soon be completed by the peace and security program which the Minister of Justice and the Solicitor General of Canada, I hope, will launch in the near future.

[Mr. Fox.]

A society which is concerned with the interests of citizens must favour the establishment of a social system which meets the aspirations of its members. Daily facts demonstrate that society must take the necessary measures to isolate those who refuse to abide by the rules and that as long as it is required by public interest.

The Criminal Code is one of the instruments which allow us to settle some situations. We must always remember that that instrument of social control is used when rules are not respected. Moreover it cannot in itself contribute to reducing the derogation rate and the solution in many cases rests with other human disciplines and government programs which ensure to all Canadians a rather high minimum level in the education field and the opportunity to develop themselves and to realize their own destiny.

● (1640)

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Madam Speaker, I just wish to make a few comments. I hope you will permit me to make them, although they are not all tied closely to the bill. I have looked for an occasion to say these things for some time. I am saying them in a personal way and expressing a personal point of view. I do not intend to launch into a wide ranging discussion of crime or the Criminal Code. I listened with a great deal of interest to the comments of my hon. friend from Calgary North (Mr. Woolliams); the hon. member for New Westminster (Mr. Leggatt), and others. They were very interesting remarks of a constructive nature dealing with the causes of crime and other matters.

It seems to me that generally there is no simple approach to the question of maintaining law and order. Certainly we cannot cope with this problem by thinking simply in terms of detection and punishment. But there is no point in pretending—I am sure none of us does—that it is simply a matter of reorganizing the community, that if we had the proper spirit and took the proper precautionary measures in advance there would be no crime to contend with afterwards.

I suspect we have to attack crime on many fronts. For example, there is a vast difference between highly organized crime on the one hand and the kind of crime which reflects slum conditions, poverty, and so on. I would myself welcome the kind of inquiry which many speakers inside the House have called for, an inquiry into the causes of crime, an inquiry into the effects of violence on television, among other things. As I say, I suspect we have to attack the problem on many fronts, and although many of us have hobby horses we like to ride, none of them, perhaps, would take us very far by themselves.

My hon. friend from Calgary North attacked the idea of minimal and mandatory sentences in connection with breathalyzer convictions. I agree with him 100 per cent. I cannot understand why the government would sponsor minimal or mandatory sentences in connection with something like this. Generally, I express disapproval of the whole idea of a minimum sentence, so what I am going to say with regard to breathalyzer tests is in no way derogatory to or divergent from the view expressed by my hon. friend. However, I will make one point with regard to

breathalyzer tests and related matters such as the mandatory requirement to wear seat belts and the attitude some people seem to take that it is a requirement which somehow infringes their personal liberty.

Their attitude seems to be that it is somehow an infringement of personal liberty for parliament to pass a bill requiring a person to wear a seat belt or to take a breathalyzer test. Madam Speaker, I am almost a fascist when it comes to the carnage on our highways. I am prepared to take a very tough position and support very tough legislation with regard to the carnage which takes place on our roads.

Some hon. Members: Hear, hear!

● (1650)

Mr. Stanfield: I have no God-given right to drive a car on a highway; that is a privilege granted me by the province or state. Any legislature or the Parliament of Canada has a perfect right, indeed a duty, to impose safeguards and precautions upon me while I am driving on the highway. I am not the only one who drives on the highway; others do, too. I have no God-given right, either, even if I were alone on the highway, to drive in any way I please or to do any damage to myself or the car.

I simply say as fervently as I can that I believe our legislatures and this parliament have a heavy obligation to improve safety on our highways and to cut down carnage. I do not want to be intolerant, but I have very little time for anybody who argues that they have a right to refuse to take a breathalyzer test if stopped on the highway and asked to do so, that somehow this is an infringement of peronal liberties. If people want to drive a car on the highway, then they have to be prepared to accept and comply with measures considered by legislatures and by parliament to be necessary. I have no right to drive a car without using a seat belt if the legislature of my province or if the Parliament of Canada, if it were within the jurisdiction of parliament, require me to do so. As I say, Madam Speaker, my rights are not being infringed; I am exercising a privilege.

In view of the amount of carnage being done by people on the highway, when I was in provincial politics and premier of a province I felt that we should take very tough positions to reduce the damage taking place on our highways. I do not intend to stay in public life very long, and this is one reason I have seized upon this opportunity this afternoon to express as strongly as I can my deep personal conviction that some people, at least, seem to be confusing a privilege to drive on the highway, a privilege granted by the state, with some God-given fundamental right that never existed.

I hope that parliamentarians and legislators will pursue this course of being tough with people who violate the laws and rules governing the conduct of motor vehicles on the highway. I think we have taken far too lax a view of the consequence of things like speeding and careless driving. I want to tell the minister that I will give him my full support for being as tough as he wants to be toward people driving while impaired and toward imposing reasonable methods of picking these people up—and if it happens to be me, that is too bad.

That, Madam Speaker, is what I wanted to say this afternoon. Let us not confuse ancient and fundamental liberties with driving on the highway, which is a privilege granted by a province or the state.

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

* * *

CITIZENSHIP ACT

MEASURE TO ESTABLISH CONDITIONS AND PROVISIONS GOVERNING CITIZENSHIP

The House resumed from Wednesday, December 10, consideration of the motion of Mr. Faulkner that Bill C-20, respecting citizenship, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Bob Brisco (Kootenay West): Madam Speaker, this is the first opportunity I have had to address myself to some elements of Bill C-20 and to my concerns with regard to this bill. Although I can see some advantages flowing from it, there are also some very serious concerns. My principal concerns relate to qualifications for citizenship, qualifications that are deemed to be of a very serious nature. It is a very solemn undertaking indeed to accept not only the benefits of citizenship but the responsibilities that must inevitably accompany the privilege of being a Canadian.

This bill would permit a person to qualify for citizenship on the basis of allowing every day spent in Canada to qualify as a half day prior to being registered as a person lawfully in Canada. I think that is a gross error. Certainly, with my knowledge of the facile way that people can move across the border between Canada and the United States, this has to be an error. With my knowledge of the sloppy manner in which some people have been admitted to Canada, it is an error.

I recall a young lady who, as a part-time employee of customs and immigration, made a suggestion to the Minister of Manpower and Immigration (Mr. Andras) in 1974 to the effect that people coming to Canada through various border crossing points, claiming they were landed immigrants, should be able to provide some form of official identification issued by the ministry. This identification should take the form perhaps of a plasticized identification card giving a description of the person to whom it was issued, together with a recent photograph. We are asked to provide that sort of thing when we apply for a passport. Indeed, every member of the House of Commons has this kind of identification.

This very valid suggestion was passed to the minister and accepted by him, but like so many other suggestions that are made to some ministers, that was the last we heard of it, even though the minister himself endorsed this very concept in writing. As it stands now, we have no idea how long a person has been in Canada prior to the period when they begin to qualify for citizenship on the basis of a full day in Canada equalling a full day in their application for citizenship.

This brings me to the next provision in clause 5, that for every day during which the applicant was resident in

Canada after his lawful admission in Canada he shall be deemed to have accumulated one day of residence. That is for a period of three years, Madam Speaker. According to the bill, he shall be conversant with at least one of the official languages. He should have a knowledge of Canada, and not only a knowledge of Canada but an understanding of Canada. I submit it is one thing to have a knowledge of Canada, and another thing to have an understanding of Canada and the manner in which this country, our people and our governments operate.

● (1700)

On the basis of my experience with citizenship judges, I must say that some have demonstrated a lack of knowledge of the very basic concerns of Canadians. This is often brought to light at the time these people make application for citizenship. I know there are those in this House and in this country who feel a person after three years should qualify for citizenship. I also know in my own riding, where I have a very wonderful cross-section of people of various ethnic origins, that the value they place on Canadian citizenship, something they have worked for and earned, is much in excess of the token three years that this bill provides. I almost get the feeling that this is sort of a citizenship for sale or bargain day agreement. Let us make it easy, open the borders and allow them to pour in!

I do not think for one minute that a person has to express any bias or that there should be any implication of being labelled a bigot or a racist when you suggest that the regulation remain as it is with a five-year qualification for citizenship. Certainly we have those who have never adapted to Canadian citizenship or to Canada. I suggest to hon. members that three years is indeed a very brief time in order to reap the rewards of Canadian citizenship, and that five years is a much more acceptable standard and one that is easily appreciated and understood by a cross-section of Canada's ethnic groups.

There are certain provisions for the loss of citizenship, and certain provisions for those who may have lost their citizenship to regain that valuable status. With reference to clause 7, I wonder just who is going to advise the person who has reached the age of 28 years that it is now time to apply for that status for which he should have applied earlier. What happens to the fellow who has not been informed? Are we looking at some broad-brush advertising scheme to be conducted once a year by Manpower and Immigration just to assure that this man or woman is fully aware of the regulation?

It is bad enough for most of us to try to keep track of all the regulations from day to day, without this kind of nonsense being inserted in the bill. I cannot really see the merit or the value of it. I think provisions for Canadians are well covered in other areas of the bill and I see no need for this particular provision.

Thank heavens, however, that the minister in his wisdom has decided that those women who were British subjects prior to 1947 can now, on application to the minister, obtain a certificate. There are no more outspoken people in the matter of their right to vote and their Canadian citizenship than those British who by virtue of previous legislation were, quite frankly, denied their right to vote. Of course, it is easy to say that they never applied for citizenship, but in every other context they have considered themselves to be Canadians. They have considered themselves to be proud Canadians and British subjects who have contributed to the economy of this country by paying taxes and in every other way doing their jobs. I am relieved at least that clause 3 of this bill will make this provision, particularly for women, who are the most outspoken of those who are very proud to be Canadian citizens. I suggest it will be incumbent upon the Minister of Manpower and Immigration to give this part the widest possible publication.

It will be incumbent upon members of parliament to let their constituents know precisely the facts of this particular provision so these people can apply. Many times these British subjects have spoken to me, saying that if that be the case and they cannot vote without having applied for Canadian citizenship, they surely will not vote. In some respects that is an unfortunate attitude, but in other ways, in view of the contribution these people have made to the community, I cannot really blame them.

When we get to the question of examination for citizenship, then, Madam Speaker, the weaknesses of the system are becoming in fact more apparent. One of my concerns is that there is lack of uniformity by citizenship judges in dealing with applicants. This lack of uniformity, leaving it up to the individual citizenship judge, is going to be very seriously compounded by the three-year provision.

Not too long ago I listened to the complaints of several applicants for citizenship who appeared before a judge in my riding. Can you imagine the question being put, to somebody from Iran applying for Canadian citizenship, who had examined, studied and learned to speak one of our official languages and tried to become part of the fabric of Canada, having resided here for the qualifying period in excess of five years: "What can you tell me about white faces?" If he had asked me, I would not have been able to provide the answer, as I am sure very few members in this House could.

This judge asked: "What can you tell me about white faces", and that is the way he put the question. If he had said: "Can you tell me about white faces", I might have said: "You are talking about cattle, or Herefords." I could tell him something about Hereford cattle. But what in the world could we expect a man from Iran to know about white faces? I am sure the hon. member for Lethbridge (Mr. Hurlburt) would have been hard pressed to figure out what that judge was talking about, and he should know if anyone should.

Another applicant was asked to talk about the pre-Cambrian shield. I think that is very important to the student of geology, or possibly to the student of geography, but just how relevant is it to a requirement for citizenship in Canada? These are only two of several examinations where applicants for citizenship have really, in effect, been put down by the examining judge. That is why I ask, if these people are having difficulty in five years in responding to the questions of this judge to whom I referred—and how many other citizenship judges across Canada are asking similar questions—how many problems are they going to find generated by the three-year provision? Are we going to have a different style of questioning? Is it to be primarily textbook questioning, or are we really going to deter-

mine that these people truly sense what is Canadian and have some knowledge about what is Canada?

● (1710)

Madam Speaker, I simply cannot accept the basic premise or idea that citizenship is for sale at bargain prices and for bargain requirements. I am also concerned about the requirements for citizenship and the discretionary power to the governor in council or the minister with reference to refugees. We are indeed fortunate in Canada that we live in a democracy and that to all intents and purposes, save and except for the ever-increasing, burgeoning government legislation, we are as free as we are and do not live in a police state. When a minister has the discretionary power to examine the applications of refugees or those who claim refugee status, it is so easy for a minister to say he really cannot conceive how that person should feel he or she can be a refugee from such a fine country as Poland, or such a fine country as Hungary or any other iron curtain country. I know whereof I speak, Madam Speaker.

I know, Madam Speaker, that very shortly I will be making an appeal to the minister. May I say, also, that I have made a recommendation to the minister that you should have a cabinet post. Perhaps my message will get through to the Prime Minister (Mr. Trudeau). I think there would probably be unanimous consent if the question could be put to a vote.

To continue, very shortly I expect I will be approaching the Minister of Manpower and Immigration with reference to the problem of persons who claim refugee status. I am sure this same problem has been confronted by more than one member of parliament. I really do not think that, as Canadians, we have fully grasped the total loss of freedom there is in the police type of state that exists behind the iron curtain and the satellite countries. I do not think we understand the situation in respect of a woman who reaches age 65. Such a woman is old long before her time, she is bent and torn and is no longer of any value to the state. She is a person who must be clothed, kept warm and fed.

We do not seem to understand that these are the people who are granted exit visas to visit Canada and the United States or any other country in the free world. However, in the case of an attempt to obtain an exit visa for some young, productive worker, whether male or female, then a different connotation is put on the application. I would ask members to observe the manner in which persons from behind the iron curtain are handed their visas when they line up to receive them. If they are being granted a visa to visit one of the western countries, they find that when their visa is being presented to them it is thrown to the floor so that the applicant must bend down to pick it up.

If I, as a Canadian, report to the police in Budapest or at some other place while I am entering or leaving as an alien, that is different. Then my visa or passport is handed to me. If I should be a worker contributing to the economy of that particular country, and should apply for a visa to leave that country, even for a short visit to relatives in another country, then my application is treated with a great deal of disdain and there is a great deal of discouragement.

How many young people from the iron curtain countries do we see in Canada as visitors? The answer is, damned few. When such a visitor wishes to stay, what assistance are we prepared to give? When such a person must return to his or her country, what consideration is truly given to the application to remain in Canada? Do we believe that these people have no problems when they return to the police state behind the iron curtain and that they will be accepted with open arms? If we do, how very naive we are.

It is not my intention to protract the debate on this citizenship bill, because there are some advantages for some people. I realize the government is anxious to see it pass. However, I must protest strongly the bargain rates for citizenship and join many Canadians of all ethnic origins who say they want to work for their citizenship, that they are prepared to work for it and do not mind the five years. They feel that is a short enough period in which to gain the values and the benefits and respond to the requirements of being a Canadian. Thank you very much, Madam Speaker, for the opportunity to address you on this bill.

The Acting Speaker (Mrs. Morin): Before recognizing the hon. member for Saint-Denis (Mr. Prud'homme), I should like to advise the House of the questions to be raised tonight during the adjournment debate.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)—Penitentiaries—Reason for delay in building new penal institutions in British Columbia; the hon. member for Yukon (Mr. Nielsen)—Air transport—Possibility of restriction on unilingual pilots—Government position; the hon. member for Okanagan Boundary (Mr. Whittaker)—Agriculture—Reduction in federal share of costs of crop insurance—Government action to offset.

GOVERNMENT ORDERS

[*Translation*]

CITIZENSHIP ACT

MEASURE TO ESTABLISH CONDITIONS AND PROVISIONS GOVERNING CITIZENSHIP

The House resumed consideration of the motion of Mr. Faulkner that Bill C-20, respecting citizenship, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Citizenship

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, I am naturally quite pleased to take part in this debate since for several years I have had the honour of introducing in the House some bills dealing with amendments to the Citizenship Act. I was therefore happy when the Secretary of State (Mr. Faulkner) introduced Bill C-20 dealing with amendments demanded for a long time by the members as well by various groups other than French or English in Canada, unfortunately called ethnic groups. Indeed, it is a well-known fact that I dislike that term; I prefer the term "future new Canadians" or "prospective new Canadians." There is in this legislation, and I refer to clause 5, a clause I am very much interested in, since for some four years I have called for such changes, asking the government to reduce from five to three years the required period to hold permanent residence in Canada before getting or applying for Canadian citizenship. I wish to thank my colleagues and the Secretary of State (Mr. Faulkner) for having listened to my arguments and now to submit them for study to the House and committees in order to enact the new Canadian citizenship legislation. Canadians who had been accepted—I should rather refer to them as future new Canadians—to become landed immigrants will certainly be extremely happy, as soon as this legislation is passed, to send their application to become Canadian citizens after three instead of five years.

I could never really understand why in a country where communications are so fast, where it is so easy for everyone to have a full knowledge of our institutions, why then, one had to wait for more than five years to become a Canadian citizen. I submit Madam Speaker, that a three year waiting period is quite sufficient for those who have decided to get a Canadian citizenship.

And I am glad that we will soon have this new designation. I am very careful and I regret that my friend the right hon. member for Prince Albert (Mr. Diefenbaker) is not here now. In fact, when I talk about British citizen and Commonwealth citizen I know that this matter interests him very much and that he always listens very carefully. I wish to tell him through the chair that I am glad that soon in our Canadian passports, if this citizenship legislation is passed, we will replace the words "a Canadian citizen is a British subject" by "a Canadian citizen is a member of the Commonwealth". I think that it will enhance our Commonwealth status to have in our passports the words "Member of the Commonwealth" rather than "British citizen" with all due respect to those who in another country are called British citizens. It is something I wish to emphasize.

Of course, I would have been glad had this government found advisable, at clauses 40 and 2 concerning oaths of allegiance, to follow the Canadian constitutional trend and change the oath of allegiance. For those who could be very sensitive and nervous I repeat that I can live with this bill, that I will accept it as it is but I wish to say to this House that I would prefer that all new citizens take an oath of allegiance to Canadian institutions which, once again, could be helpful to those who now refuse to take the Canadian citizenship because they think they are taking an oath of allegiance to the head of another country when everybody knows that the Queen, who is the Queen of England, is also the Queen of Canada. But I hope that some day, some of my colleagues opposite wherever they are sitting at that time, when I will be older, will themselves propose that change. However, I wished to say that I would have preferred to see that change in the new Citizenship Act.

[The Acting Speaker (Mrs. Morin).]

Madam Speaker, I wish to make some further comments. I think it was time for this legislation to provide equality of rights for men and women. This is so elementary, so logical that I do not see any reason why I should waste the valuable time of this House trying to show how these amendments to the Citizenship Act are justified.

Of course, I am also pleased that soon our youth—

● (1720)

[*English*]

—those for whom under the bill the age of majority is reduced from 21 to 18, the age of federal enfranchisement.

[*Translation*]

Of course, Madam Speaker, it was logical I think that our young Canadians now be able to exercize their right to vote at the age of 18, that they enjoy such freedom and that, even if their parents decide otherwise, they have the privilege of asking for Canadian citizenship.

I therefore congratulate the minister for his wisdom and for listening to us—but there again I do not want to get involved in any partisanship. Representations were made by both sides of this House. However, I must say that since I have been interested in this matter for many years, I made such representations to different ministers and when I was Parliamentary Secretary to the Secretary of State, I had even advocated making such changes, to which the minister had agreed. I now realize that this government is determined to increase these means to provide our citizens with further services, which I will explain, Madam Speaker, since it is important that our friends in the press—

[*English*]

These people are the ones who will give great publicity to this new immigration law or citizenship law or any new laws at great length, so that Canadians will learn about these changes.

[*Translation*]

Here is one of those changes, Madam Speaker. The minister has allowed the citizenship bureaus to remain open evenings and Saturdays. Unfortunately, the fact is not well known, but I hope the new aspiring Canadian citizens, who are excellent workers, and who often hesitate to take three days off of their precious time to go and apply for citizenship, can thus be better served, for in many cases, the employers refuse to give them a day off to file their application for citizenship, another to appear before the citizenship judge and still another to take the oath of allegiance required to become a Canadian citizen. Facilities will be provided for by the government at its offices in Toronto and Montreal and, I hope, in Vancouver and elsewhere in due course, where there is need for them. Naturally, during a time of austerity, offices should not be opened everywhere, and new aspiring citizens should take advantage of the great number of services already available to them.

I should also like to echo what my hon. colleague across the way, the hon. member for Kootenay West (Mr. Brisco)

said when he spoke of the sensitivity with which the citizenship judges should deal with the applicants.

[*English*]

The hon. member for Kootenay West (Mr. Brisco) spoke about the question put by a citizenship judge to a man from Iran: "what do you know about white faces?". I also know a judge who had the temerity, if I may put it that way, to ask a future new Canadian of Italian origin, "what would you do if Canada ever declared war on Italy?" I do not think such a question should ever be asked because it is unfair. We know that the man would probably answer that he would fight for Canada, but I think it is the most unfair question one could put to a future Canadian citizen because never, in my recollection, has any judge ever asked of the hundreds of thousands of excellent British citizens who came from Great Britain what they would do if Canada ever declared war on Great Britain. So I believe that if such a question is never asked of a British citizen it should not be asked of citizens of other countries of origin.

This is a very sensitive matter. This was an English speaking judge in Quebec, and it happened recently. I am speaking in English, but in case I do not say exactly what I want to say it is because I am talking about "la sensibilité" and I do not know how to translate that word.

[*Translation*]

But I hope that judges will have that necessary compassion when examining witnesses. And since many of my colleagues wish to speak on this subject, I would like to conclude by asking whether the government would not accept amendments in committee on such a possibility. I had requested it and I make a further request today in this House. For a number of years now I have been making representations concerning very old citizens who speak neither English nor French, but whose children are Canadian citizens or applied for and were granted citizenship many years ago. These elder citizens live in a so-called ghetto, without any pejorative connotation. Being quite old they cannot speak either English or French, since they came to Canada at the request of their children now enjoying an adequate economic status allowing them to come to Canada to spend here the latter part of their lives. I wonder if it would not come within the scope of the policy of compassion which the government should apply at all times when dealing human beings if it were to give the Court of citizenship the power to grant citizenship almost automatically to parents and grand-parents of Canadian citizens, even though they may not speak English or French or have a very precise knowledge of Canada. Anyway, when I see questions put to new citizens, I always wonder how many Canadian-born citizens could pass such an examination, and what would be their marks. I am not referring here to members in this House, because I know that members from all sides, whether Social Credit, NDP, Progressive Conservative or Liberal, would pass the exam. But still I wonder if, from time to time, we would not hesitate before providing the answers to all the questions that are put to potential citizens.

It is a question of allowing latitude to the judges. I know that the great majority of them do have the sensitivity needed, this ability to recognize that Canadian citizenship must not be granted to whomever wants it without at least having confirmation that the applicant does intend to be an excellent Canadian. But it is always good to let those who are entrusted with its final administration, our officials whom I congratulate because I see them at work in the various offices, improve on the process. There is always room for improvement as much in the case of members of Parliament and, naturally, high officials as for lower echelon officials but I congratulate them because generally speaking they carry out their work with excellence and sincerity. Then there remains the question of allowing some latitude to judges. They could best exercice this their latitude if they were allowed to grant citizenship to people at a certain age, perhaps 70, but I would favor 65. Citizenship would be granted to those people who often have been in Canada for 15, 20 years and who will die without ever having the opportunity to learn French or English. Needless to say that I join my colleague the hon. member for Kootenay-West in the wishes he made.

● (1730)

[*English*]

Mr. Derek Blackburn (Brant): Mr. Speaker, I am going to be very brief with my remarks respecting Bill C-20, as I know there are one or two others who would like to speak before six o'clock.

I am in favour of this bill in general principle as indeed I believe are most members. I like the idea of the waiting period for citizenship being reduced from five years to three years. This move is long overdue and I welcome it.

The age of majority will be reduced from 21 years to 18 years. This is a logical step because the age of majority for Canadian citizens in all provinces I believe, and certainly federally, is 18 years.

Men and women are finally to be treated equally. It was a sad commentary on the old Citizenship Act that they were not. Now, for example, children born abroad will derive citizenship from either parent. At the present time a child acquires Canadian citizenship only if the father is Canadian.

Another example is that all applicants for Canadian citizenship will be required to meet the three year residence qualification without regard to marital connection with a citizen. Under the present act only one year of residence is required for the alien wife of a Canadian citizen. The act is certainly bringing into reality in law what has been the actual practice and I am happy about those changes.

British subjects will no longer be exempt from the requirement to be examined by a citizenship judge or to attend a citizenship ceremony. I happen to be only half Canadian as my father was born in England. In my constituency there are a lot of persons of Anglo-Saxon background who are touchy about the fact that some of their traditional so-called rights are being infringed upon. I say frankly, openly, and honestly that I do not know why we should continue giving any special exemption to immigrants from the United Kingdom when those same rights are not given to immigrants from other countries. I am prepared to meet criticism from people of Anglo-Saxon origin in my constituency, and I think this bill is fair to all ethnic groups entering the country.

The removal of the discrimination against women is certainly in line with the recommendations of the Royal Commission on the Status of Women. This has been long in coming but I am happy that it has finally arrived in Bill C-20.

The reduction in the eligibility age makes sense since the voting age is now 18. Some people have argued that this provision should have been introduced under the Elections Act. That is a moot point which I will not belabour. In effect this changes things after the fact and this argument has been made previously.

The period of residence required prior to application for citizenship is another important change. It seems obvious that the present five year wait was an arbitrary decision, as indeed is the proposed three year wait. I do not know how we would arrive at the correct figure, whether it be one year, two, three, four, or five, but certainly the reduction is a step in the right direction.

The five year period was probably imposed because very often the wives of immigrants who stayed home to raise their families did not get out into the work force, or out of the home, and so found it difficult to pick up the language. I do not think this should be an obstacle. In cases that I am familiar with, the wives do try their best to communicate, particularly those from eastern Europe or the Mediterranean countries from where most of our immigrants now come. If their children are learning English or French and their husbands are speaking English or French, I do not think they should be held back.

I should like to deal briefly with the powers of the minister. The new act will take many of the burdens off the minister's back, such as the direct responsibility for granting citizenship. However, as my colleague, the hon. member for Greenwood (Mr. Brewin), stated, under clause 18 of the bill the governor in council may still intervene in the granting of citizenship in cases where a person is thought to be a threat to Canada or "contrary to the public order in Canada". The declaration by the governor in council will be conclusive. I suppose under these circumstances we must have some final authority which can decide whether a person should be granted citizenship. It seems somewhat of an anomaly, however, that on the one hand the bill purportedly takes away final authority from the minister for granting citizenship but leaves the door open for the governor in council to deny it. This point should be given further consideration. Last spring I was involved in fighting to have a certain undesirable individual deported from this country but he is still residing in Montreal. I still think that there should be a right of appeal, which should extend even beyond the final analysis of the governor in council.

● (1740)

Clause 5(1)(b)(i) is vague and needs clarifying. It reads:

for every day during which he—

He being the person who is a prospective citizen here on a minister's permit.

—was resident in Canada before his lawful admission to Canada for permanent residence he shall be deemed to have accumulated one-half day of residence.

[Mr. Blackburn.]

In other words, someone here on a ministerial permit for one year can count six months towards his or her three years requirement for citizenship. The justification for this escapes me. When this bill was debated earlier the hon. member for Davenport (Mr. Caccia), to justify clause 5(1)(b)(i), mentioned an example. He said that say a woman aged 62 comes to Canada as a tourist and then decides to stay. It could take years for her to obtain landed status, but those years would, by way of clause 5(1)(b)(i), not be wasted. I submit that such a justification discriminates against those who are not yet in Canada.

If somebody comes over to visit a relative, say, on a three-months visitor's visa, and has it extended to six months, nine months, 12 months—they go up to as much as 15 months, even two years—that visitor can apply time in Canada toward the three year residency requirement. People can short cut the waiting period that way. Why should not people waiting in their home country be entitled to time for waiting? I suggest that the present provision would encourage people to try to enter this country by the back door approach, as it were. I think the minister should explain this provision fully. As I say, it discriminates against those who are not yet in Canada. That is an important point.

People who are prepared to wait in Germany, Italy, the United Kingdom, or states in Africa and go through regular channels are being penalized. They must wait the full time. On the other hand, those who come in as visitors and remain on a visitor's visa for three months, six months or one year are entitled to have their days in this country included in the waiting period. The logic of that provision escapes me.

I will not take much more time. Generally speaking, I am in favour of the bill. Let me make one more point and then I will sit down. Clause 33 of the bill has been referred to, and it reads in part:

Real and personal property of every description may be taken, acquired, held and disposed of by a person who is not a Canadian citizen in the same manner in all respects as by a Canadian citizen . . .

Obviously this clause does nothing to alleviate the concerns of some provinces, especially Maritime provinces, with regard to foreign ownership of land. The problem is that if provinces act on their own to curtail non-citizen land ownership, will they not be in conflict with this federal law? The hon. member for Sault Ste. Marie (Mr. Symes) said in the House on May 21, 1975, that very interesting legal interpretations and court cases could arise whereby non-citizens challenge provincial laws, using federal statutes to back up their case. As other hon. members have said, it will be interesting to see how the minister deals with this question. I hope the minister will clarify the points I raised.

Miss Aideen Nicholson (Trinity): Madam Speaker, I am deeply concerned that this bill, which includes provisions for the equal treatment of men and women in the matter of citizenship, has been delayed before the House for such a long time. We have heard members of the opposition give their endorsement to many major provisions of the bill, including those which provide for the equal treatment of men and women. Nevertheless while the bill remains before the House those very provisions which have been applauded cannot be put into practice. I had personally

hoped that this bill would be passed during 1975, International Women's Year, the year in which Canada, with other United Nations member countries, undertook to encourage equal treatment, equal opportunity, and equal responsibilities for women and men in all aspects of our society. This bill is central to the provision of equality for women in Canada.

The report of the Royal Commission on the Status of Women was tabled in 1970. It included the following recommendation regarding the Canadian Citizenship Act:

> ... that sections 4 and 5 of the Canadian Citizenship Act be amended to provide that a child born outside Canada is a natural-born Canadian if either of his parents is a Canadian citizen.

Clause 3(1)(b) of Bill C-20 implements that recommendation. It says that a person is a citizen if:

> ... he was born outside Canada after the coming into force of this act and at the time of birth one of his parents, other than a parent who adopted him, was a citizen;

There has been some debate about whether this provision should be retroactive to cover those children who have been affected by the present Canadian Citizenship Act which does not include this provision. However, it is felt that there are real dangers in granting citizenship retroactively. I am happy to say that the advisory council on the status of women agrees with Bill C-20's treatment of this point. Two other of the royal commission's recommendations were:

> ... that either citizen-parent may apply for the naturalized citizenship of a minor child ... that, in the case of joint adoption, the child may be granted Canadian citizenship if either of the adopting parents is a Canadian citizen.

Bill C-20 also implements these recommendations. Clause 5(2) provides that:

> The minister shall grant citizenship to any person who, not being a citizen, has been lawfully admitted to Canada for permanent residence and is the minor child of a citizen if an application for citizenship is made to the minister by a person authorized by regulation to make the application on behalf of the child.

This will in many cases cover the problem mentioned earlier stemming from the fact that the bill is not retroactive. As long as the child is living in Canada a Canadian mother will be able to obtain citizenship for a child born before this bill becomes law.

Another recommendation of the royal commission reads:

> ... that the Canadian Citizenship Act be amended so that there is no difference between the requirements for the acquisition of Canadian citizenship by an alien husband and an alien wife of a Canadian citizen.

With the passage of this bill this discrimination will disappear entirely. There will be no claim to citizenship through marriage for either spouse. Spouses of either sex will have to fulfil the ordinary residence requirements.

Finally, the royal commission recommended:

> ... that the Canadian Citizenship Act be amended to provide for the automatic resumption of Canadian citizenship by women who lost it because they married aliens before January 1, 1947.

The bill before the House provides in clause 10(2) for the automatic resumption of citizenship for such women, on writen notice being given to the minister that they elect to be a citizen. The bill does not make this resumption retroactive since it was considered that, to do so, could have an adverse effect upon those women for whom the automatic conferring of Canadian citizenship without their knowledge could create difficulties.

The bill now before the House includes the provision that a woman who lost Canadian citizenship by marrying an alien before January 1, 1947, can now apply for and receive citizenship immediately as a matter of right, simply on giving notice to the minister. In this way women affected by the pre-1947 law can receive citizenship automatically but it will not be retroactively conferred on them without their knowledge. This bill then, Madam Speaker, deals with five substantial and central recommendations of the Royal Commission on the Status of Women. In fact with the passage of this bill one of the major obstacles to equal treatment of women and men under federal law will be removed.

● (1750)

[*Translation*]

The Acting Speaker (Mrs. Morin): I regret that the hon. member for Roberval (Mr. Gauthier) wants to talk on this bill but he was already recognized on May 21, 1975, as reported at page 5990. So, he cannot be recognized a second time.

[*English*]

Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: Madam Speaker, I think there is general disposition to adjourn the House for the day. There are events going on elsewhere which prevent the presence in the House of certain ministers who might otherwise be disposed to take their legislation. I would like to move the adjournment of the House.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I rise on a point of order. As I indicated to the government house leader when he said he might be making this request, there is a point I should like to raise. There is at least one item under Government Orders that does not require the presence of any minister who is not here. I refer to the item listed as government business No. 27, namely, the resumption of the adjourned debate on my motion calling for the approval of the seventh report of the Standing Committee on Veterans Affairs. That was adjourned on a vote by the government side on December 11. It is on the order paper. Why can today's sitting not go on and this item be called?

Adjournment

Mr. Sharp: Madam Speaker, I did consider this possibility, but do not feel that I should call it on this occasion. I would like to say to the hon. member that the government has paid a good deal of attention to the comments made by the hon. member who has made this suggestion, and, to other members of the House. It still has under consideration the question of legislation. If I may say so to my hon. friend, I do not think a resumption of the debate tonight would have any particular effect upon the government's decision. The matter is considered very urgent and is being considered by the government. I would not want the hon. member to think that the resumption of the debate would really speed the decision by the government.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, this matter has been under consideration by the government since last June 12, over seven months. If the consideration is being expedited at all, it is because of what has been said on the floor of the House. I suggest it would be a good idea for the House to stay in session tonight and for the government to hear the views of hon. members on this report which calls for pensions for Canadian veterans who were prisoners of war.

Mr. McKinley: On the point of order, Madam Speaker, we agreed to go along with the government's request to suspend the sitting this evening, partly because of events that will be taking place in February which involve this party. We will want a little time off. For that reason we agreed the government should have some time off this evening for a special event.

Mr. Fairweather: Madam Speaker, there is a great deal of mystery about this. I personally resent the fact that apparently only ministers are to pay tribute to the Hon. Walter Gordon, a gentleman patriot well named by Dennis Smith who wrote a most interesting book. It is the seventieth birthday of the Hon. Walter Gordon. Many of us would like to be in Toronto to pay tribute to him, but apparently it is reserved to ministers.

The Acting Speaker (Mrs. Morin): The motion is as follows: moved by Mr. Sharp, seconded by Mr. Marchand (Langelier):

That this House do now adjourn.

Is it the pleasure of the House to adopt the said motion?

Some hon Members: Agreed.

Mr. Knowles (Winnipeg North Centre): No.

Motion agreed to.

The Acting Speaker (Mrs. Morin): This House stands adjourned until tomorrow at 2 p.m.

On motion of Mr. Sharp, the House adjourned at 5:57 p.m.

HOUSE OF COMMONS

Wednesday, January 28, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES

PROPOSED WARNING TO NATIONS TO CEASE FISHING WITHIN TWELVE MILE LIMIT—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. Recurrence of the foreign dragger epidemic on the west coast of Newfoundland, presently in a widespread fashion, prompts the need for immediate action by Canada. I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House orders that the government issue warnings to those nations frequenting our coast of Canada's intolerance toward the persistence of those nations in fishing within our 12 mile limit, destroying gear and depleting fish resources.

Mr. Speaker: The motion pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

REQUEST FOR DECISION ON DATE OF INTRODUCTION OF LEGISLATION CONCERNING PENSIONS FOR PRISONERS OF WAR—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this motion is one of urgent and pressing necessity which brings it under the provisions of Standing Order 43. I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House calls on the government, at its cabinet meeting tomorrow morning, to consider the unanimous recommendation of the Standing Committee on Veterans Affairs regarding pensions for Canadian veterans who were prisoners of war, and to report to the House tomorrow afternoon when the proposed legislation will be introduced.

Mr. Speaker: Pursuant to Standing Order 43, the motion cannot be debated without the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

AGRICULTURE

REQUEST FOR MODIFICATION OF DAIRY POLICY—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent of the House to present an important and urgent motion.

In view of the large scale protest from the Quebec dairy cooperatives against the federal government's decisions affecting the dairy industry and considering that they will probably reduce the milk producers' income for this year, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the House take whatever measures are necessary to correct immediately a situation which may discourage milk producers and avoid that this industry be beset with the same serious problems it has known over the last few years.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, the motion cannot be put without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

[*English*]

SUGGESTED REPRIMAND OF MINISTER FOR NEGATIVE APPROACH TO PROBLEMS OF DAIRY PRODUCERS—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Mr. Speaker, in view of the statement by the Minister of Agriculture (Mr. Whelan) to the Dairy Council of Canada that dairy producers must cut back in production drastically or suffer the consequences, and with reference to his answers to questions in the House of Commons, and in view of the sale outlets available, through negotiation, for exportation of thousands of pounds of Canada's surplus dairy products, particularly skim milk powder, I move, seconded by the hon. member for Elgin (Mr. Wise):

That this House severely reprimand the Minister of Agriculture for his negative attitude and approach to this extreme problem.

Mr. Speaker: Pursuant to Standing Order 43, the motion cannot be presented without the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

ALLEGED STUDIES OF RADIOACTIVITY IN PORT HOPE AREA IN 1951 AND 1953—REQUEST FOR INFORMATION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I must say to you at the outset that I resent the fact that the Minister of National Defence, who I know is in this building, is not in his seat because I gave him notice that I would be asking a question of him. My question could be addressed to the Minister of Energy, Mines and Resources but he is not here. I will have to put it to the Acting Prime Minister. As I say, notice of this was given to the Minister of National Defence. Considering the degree of attention which, over the past 18 months, has been focused on the dangers arising from the disposal of radioactive wastes, can the Acting Prime Minister advise the House whether the Department of National Defence has any information regarding radiation levels in the Port Hope area specifically? I am referring particularly to reports that studies were conducted by armed forces personnel in 1951 and 1953 about this matter.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am hopeful that the Minister of National Defence will be here and that you will permit him to take notice of this question and answer it if he does arrive. Otherwise, I will have to take notice and answer tomorrow.

* * *

● (1410)

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—DATE OF ESTABLISHMENT OF APPEAL TRIBUNAL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance arising from the decision of the Anti-Inflation Board on the agreement between Irving Pulp and Paper and its employees. Since this company has continued to pay its employees a 23.8 per cent increase instead of the 14 per cent recommended by the Board upon the legal ground that the ruling by the Board has not been considered by the appeal body, I should like to ask the minister when the government intends to establish the appeal tribunal for which provision is made in the legislation.

Hon. Donald S. Macdonald (Minister of Finance): We intend to establish such a body within a short period of time. I would point out to the hon. member that the appeal is from an order of the Administrator rather than from a decision of the Anti-Inflation Board. I would expect that within a short period the Board will be announcing its conclusions with respect to the actions of Irving, particularly whether or not a reference will be made to the Administrator for further action.

[Mr. Speaker.]

ANTI-INFLATION PROGRAM—REASON FOR DELAY IN REFERRING BOARD RULING IN IRVING CASE TO ADMINISTRATOR

Mr. Edward Broadbent (Oshawa-Whitby): My understanding is that the Board has in fact made a decision on this matter and has notified the company accordingly. I should like to ask the minister why this ruling by the Board has not yet been referred to the Administrator.

Hon. Donald S. Macdonald (Minister of Finance): That, of course, is a matter for decision by the Board which has been given these responsibilities under the law. The Board will have to exercise its judgment as to the manner in which it proceeds in referring the matter to the Administrator.

Mr. Broadbent: A final supplementary on the whole question of the appeal procedure. Since an appeal to the appeal tribunal, when established, can be made only after the issue has been dealt with by the Administrator, and since the only reason the AIB or cabinet would refer a case to the Administrator in the first place is in the unlikely event of a company choosing to pay its employees more than the AIB recommends, as, for instance, in the Irving case, would the minister not agree that from the point of view of employees in Canada the appeal procedure set up by the government under the legislation is really a sham?

Mr. Macdonald (Rosedale): No, Mr. Speaker. I think the hon. gentleman is advancing a new argument, one which he did not raise in the course of the debate, but I would say it is not correct. The Board will, of course, have to reach a conclusion as to how it will proceed whenever it comes to its attention that one of its judgments is being violated. Once it does act by referring a matter to the Administrator the Administrator's order may be appealed in accordance with the law.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Oh!

Mr. Macdonald (Rosedale): Well, there is an appeal procedure laid down. If the hon. gentleman would read the bill—if he had read it when it was before the House—he might be better informed.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): On a point of order, Mr. Speaker. The hon. gentleman referred to me and suggested I read the bill. I might ask him how one can appeal to an appeal tribunal which the government has not set up.

* * *

NATIONAL DEFENCE

RADIATION LEVELS IN PORT HOPE AREA—REQUEST FOR INFORMATION IN VIEW OF STUDIES IN 1951 AND 1953

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of National Defence, as hon. members know. May I point out to him that on the basis of the 24-hour clock he is a quarter of an hour behind? Referring to reports that studies of radiation

levels were conducted by armed forces personnel in 1951 and 1953, and considering the degree of attention that has been focussed over the past 18 months in the public sphere as well as in this House on the dangers arising from the disposal of radioactive wastes, can the minister advise the House whether his department has any information regarding radiation levels in the Port Hope area?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, it is correct that back in 1951 and 1953 the armed forces carried out a survey of radiation levels in the Port Hope area, but these were done at that time to test military equipment, not at the request of Port Hope or Eldorado officials.

Mr. Lawrence: Mr. Speaker, that is not an answer to any question that I asked the minister. I will repeat my question, if I may, or rephrase it for the minister. I am saying that over the last 18 months there has been a lot of publicity about this danger. Obviously, information has been in the hands of the minister or his department, so why do we not have that information, and what is that information today?

Mr. Richardson: Mr. Speaker, as far as the armed forces are concerned they have not been involved in the radiation question in Port Hope in recent years. The article which started this discussion, and which appeared in the newspaper this morning, referred to these exercises in 1951 and 1953, but they are not related to the current situation at all. As I have said, they were related to our training and testing of equipment. A report was made at the time which referred to military equipment, not to the danger or the hazard in that area.

Mr. Lawrence: A final supplementary question, Mr. Speaker. Again I have to be specific with the minister. Is this information classified, and if it is, why is it classified and why cannot we have it? What were the readings of the radiation levels?

Mr. Richardson: Mr. Speaker, I will be pleased to look at the report. I have not seen it but I will look at it, and the parts that are not classified can certainly be released to the public.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. While the minister is doing that, would he also launch an inquiry into this mad, packrat, lunatic obsession with secrecy and advise the House under what conditions documents are classified and who has the right to classify them, unless that particular information is in turn classified?

* * *

[*Translation*]

THE CANADIAN ECONOMY

INQUIRY AS TO UNIFORMITY OF PROPOSED INCREASE IN PRICE OF GASOLINE—POSSIBILITY OF REDUCTION IN TAX

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I want to ask a question of the Minister of Finance.

Last night, during the national news on television, a substantial increase in the price of gasoline was said to be forthcoming within a few weeks. They even talked about $1 or $1.25 a gallon. Is the minister aware of this forthcoming increase and can he tell us whether it will affect Canada from coast to coast, with the assent of the federal government? Will the price be uniform across Canada after this increase? Also, will the anti-inflation controls allow that increase in the price of a gallon of gasoline?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, if I have understood the announcement clearly, the $1 a gallon price was only a prediction, a possible price during 1976, perhaps after the month of July. Naturally, discussions will be held previously with the provincial governments about the appropriate level of the oil price in Canada. At the moment, I do not think there will be an increase anywhere in Canada.

Mr. Caouette (Témiscamingue): Mr. Speaker, considering that gas is far from being a food item, but that it is almost as important because the whole population needs it, is the minister fully aware of gas prices, when more than 40¢ in various taxes are included in the price of one gallon of gas, that 19¢ go to the federal government, 19¢ to the provincial government—in Quebec at least—and that in some provinces I think this amounts to 20¢; in order to protect the consumer, does the minister proposes to urge the government to reduce the federal tax and ask the provinces to do likewise so that consumers be protected against any increase in gas prices?

Mr. Macdonald (Rosedale): Mr. Speaker, if the hon. member is referring to the debate of last June, he will remember that we proposed higher gas taxes to protect other petroleum products, particularly heating oil in Quebec. I do not now expect lower federal taxes on gasoline. I would be very surprised if the provincial levy were to be reduced.

* * *

● (1420)

[*English*]

ROYAL CANADIAN MOUNTED POLICE

STATUS OF MITCHELL BRONFMAN—POSSIBILITY WRONG INFORMATION SENT TO UNITED STATES OFFICERS CONCERNING MR. BRONFMAN

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Solicitor General. It concerns the status of Mitchell Bronfman of Montreal and is asked with the consent of Mr. Bronfman and, I believe, his counsel. Is the Solicitor General prepared to suggest that Mr. Bronfman has violated any federal law, and has he taken any steps to ascertain whether the information on Mr. Bronfman is out of date or inaccurate since it was first compiled?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, to my knowledge Mr. Bronfman has done nothing illegal. I would have to consult with the RCMP in respect of the matter in which he was questioned as a witness to find if anything is new.

Mr. MacKay: Mr. Speaker, has the Solicitor General been fully apprised by the RCMP about circumstances under which Mr. Bronfman was persuaded, at least apparently so to this point, not to institute legal proceedings against certain RCMP personnel for defamation of character or other related grievances resulting from information transmitted by RCMP officers to American intelligence officers?

Mr. Allmand: Mr. Speaker, I am sorry I did not hear the beginning of the supplementary question because my listening device broke.

Mr. MacKay: May I repeat the question, Mr. Speaker. Has the Solicitor General been fully acquainted or apprised by the RCMP about circumstances under which Mr. Bronfman was persuaded, at least apparently so to this point, not to institute legal proceedings against certain RCMP personnel for defamation of character or other related grievances resulting from information transmitted by RCMP officers to American intelligence officers?

Mr. Allmand: Mr. Speaker, I do not recall being briefed about that point, although I was briefed by the RCMP on other matters relating to Mr. Bronfman.

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ADMINISTRATION OF JUSTICE

BREACH OF CONTRACT ACTION BY CAE INDUSTRIES—INQUIRY WHETHER GOVERNMENT WILL FILE DEFENCE

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, as the CAE Industries Limited and CAE Aircraft Limited of Montreal and Winnipeg have filed a statement of claim in the Federal Court of Canada, the trial division, against the federal government for breach of a contract in not providing 700,000 man hours of direct labour per annum to the CAE Aircraft plant in Winnipeg, as committed by the MOT in 1969, will the minister now inform the House whether the government has filed in the registry of the Federal Court of Canada in Ottawa a defence to this statement of claim?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I have not been advised on this lawsuit but I will, of course, inquire into it to determine whether we have filed a defence.

BREACH OF CONTRACT ACTION BY CAE INDUSTRIES—INQUIRY WHETHER GOVERNMENT WILL SETTLE OR COMPLY WITH CONTRACT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I would direct my supplementary question to the Minister of Transport. Will he inform the House whether his department or the Department of Supply and Services is making any effort to find the 700,000 man hours of work for the CAE in Winnipeg, or will this matter just be settled in the courts?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I would want to check into the present status of that issue before responding to the hon. member.

[Mr. Allmand.]

TRANSPORT

GOVERNMENT INTENTIONS WITH REGARD TO DREDGING CONTRACTS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, will the Minister of Transport advise the House what his departmental plans are for maintenance dredging contracts for the coming year, and when can we expect a report to the House on how he plans to process new dredging bids?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the question of how to solve some of our problems in respect of dredging is under serious consideration at the present time. I would expect to be able to make some proposals to my colleagues before very long, and then be able to announce a decision. At a time when we are still considering various alternatives, and have to decide between them, I would hesitate to predict when an announcement may be made.

Mr. Paproski: Does the minister have any bids on his table now to process?

Mr. Lang: Mr. Speaker, we are not at the present time actively calling bids until we have solved some of the questions we have asked about the bidding procedures.

* * *

ENERGY

SALE OF NUCLEAR REACTOR TO SOUTH KOREA—DATE OF COMPLETION OF AGREEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. It might have been more appropriately directed to the Secretary of State for External Affairs but he was last seen on a camel disappearing into the desert somewhere.

An hon. Member: He is on the road to Damascus.

Mr. Stanfield: I should like to ask the minister whether the Government of Canada and the Government of Korea have completed negotiation of an agreement to sell a nuclear power generator to that country.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have been informed that a safeguards agreement has been concluded between the two governments. I expect the Secretary of State for External Affairs to make a statement when he returns to the House and table the document in the House.

SALE OF NUCLEAR REACTOR TO ARGENTINA—POSSIBILITY OF REOPENING AGREEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary on the same subject, Mr. Speaker. Have the minister or a representative of the Government of Canada been able to persuade the Government of Argentina to reopen the contract between Canada and Argentina not with regard to safeguards but with regard to

the price? Has there been a firm agreement to reopen it or is the Government of Canada still trying to persuade Argentina to reopen it?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I can report progress on this important matter. The Chairman of Atomic Energy of Canada Limited and the President and other members of Canadian government agencies are in Argentina at the present time sitting down with their opposite numbers at CNEA for the purpose of renegotiating the commercial terms of that agreement.

Mr. Stanfield: Mr. Speaker, can the minister say that the Government of Argentina has agreed to reopen it or is it just that they have agreed to meet Canadian representatives over a cup of tea or something of that sort?

Mr. Gillespie: No, Mr. Speaker. They have given a clear indication that they are prepared to sit down and renegotiate the terms of that agreement.

* * *

ANTI-INFLATION BOARD

JURISDICTION TO DEAL WITH PROVINCIAL CROWN CORPORATIONS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of Finance. It is a follow-up to a question I asked the President of the Privy Council a couple of days ago about which he wanted some legal interpretation. It deals with the Anti-Inflation Board's jurisdiction over provincial Crown corporations. Would the minister be in a position today to advise the House whether the Anti-Inflation Board would have jurisdiction over provincial Crown corporations, particularly corporations such as ICBC, which corporation has increased its rate by 150 per cent?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, at this point, before the government has entered into an agreement with the government of British Columbia, I am advised there would be no jurisdiction under the law against a provincial Crown corporation. As the hon. member will have noticed from the Ontario agreement, that government, and indeed other provincial governments, have taken the position that certain of these Crown corporations should be exempt from the provisions and should be subject to the direct responsibility of the provincial government itself. In effect, the ICBC in respect of its rate increase will have to be governed by the manner in which British Columbia accedes to the anti-inflation law.

● (1430)

Mr. Oberle: It seems to me that it does not specifically deal with provincial Crown corporations. Can the minister spell out whether his department has received an invitation from the province of British Columbia to deal with the matter of ICBC in isolation until such time as another agreement is discussed?

Mr. Macdonald (Rosedale): To repeat the comment to the hon. gentleman, a provincial Crown agency is not covered under the provisions of the law which apply to private corporations, therefore there has been no request from British Columbia that we deal with it separately, apart from the whole issue.

RATE INCREASES BY NORTHERN CANADA POWER COMMISSION—REQUEST FOR INVESTIGATION BY BOARD

Mr. Erik Nielsen (Yukon): I have a supplementary question for the Minister of Finance. Notwithstanding the apparent absence of agreement between the federal government and the government of the Yukon and the Northwest Territories in this respect, and in view of Northern Canada Power Commission's increase in rates in the Northwest Territories recently last December of 22 per cent in the Yukon and over 40 per cent by April, will the minister see to it that the proposed increases of Northern Canada Power Commission are placed before the Anti-Inflation Review Board?

Hon. Donald S. Macdonald (Minister of Finance): I am confident that the board will have already focused on this, but as a result of the question I will make doubly sure that they pay attention to it.

BOARD'S INTENTIONS WITH REGARD TO INDIVIDUAL COMPLAINTS OF PRICE INCREASES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Finance. Over the last couple of months I have relayed over 100 complaints about price increases from my constituents to the Anti-Inflation Board. I now have further complaints in my possession concerning increased prices in food, transportation, bank services and diapers. In view of the fact that over the last three weeks further increases have been taking place, such as the increase by Shoppers' Drug Mart in my riding in the cost of Baby Scott regular diapers—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. If the hon. member has a question, will he put it.

Mr. Rodriguez: My question to the minister is: Does the Anti-Inflation Board intend to take any steps to deal with individual complaints, specifically those to which I have been referring, and, if so, when can we expect to see some evidence of this?

Hon. Donald S. Macdonald (Minister of Finance): As I have indicated, the board, of course, will have to determine the best way to carry out its mandate. Information of the kind the hon. gentleman has brought to the board's attention cannot help but be helpful to it in carrying out its mandate, and I hope he will continue referring these matters. Obviously, some of the increases at least will be by firms which are not subject to legal sanctions, but there may indeed be other patterns on which the board will be arriving at early conclusions.

Mr. Rodriguez: In view of the fact that the anti-inflation program has been absolutely useless in controlling price increases and indeed that the board chairman, Mr. Pepin, has said that consumers may not see any moderation in price increases for a full year, is the government now prepared to amend its anti-inflation program to include selective price increases?

Mr. Macdonald (Rosedale): No, Sir.

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TRANSPORT

POSSIBILITY OF OVER-ALL POLICY STATEMENT OR ANNOUNCEMENT CONCERNING SEAWAY TOLLS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Transport. Now that the minister has had a chance over several months to review the situation in the Department of Transport, will he be making an over-all statement on government policy concerning all phases of transport or will he be making piecemeal statements from time to time concerning the various aspects of transport? I am particularly concerned about whether he will be making any announcement in the future concerning the Seaway tolls?

Hon. Otto E. Lang (Minister of Transport): I anticipate making specific statements in relation to particular areas rather than waiting until all decisions have been reached and a broader statement can be made. Of course, broader statements will be appropriate at the time, for instance, of the introduction of major changes in the National Transportation Act, but I can assure the hon. member that I would not want to see us waste time which could be used on improving the system until such time as a broader statement can be put before the House and debated here.

Mr. Korchinski: The minister did not make any reference to the question I raised with regard to Seaway tolls. If he intends to make any statement with regard to that matter, will he hear representations prior to making any announcement in that regard?

Mr. Lang: I have been hearing representations on that subject for quite a long time and will continue to receive them. A decision may well be taken on that subject after further deliberation by the government, but of course an announcement in that regard will be made after the decision is taken.

INQUIRY AS TO CONSULTATION PRIOR TO REDUCTION IN RAIL PASSENGER SERVICE—POSSIBILITY OF OPPORTUNITY FOR DEBATE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of Transport. In view of the statement he will make tomorrow concerning the cut-back in rail service in Canada, did the minister consult the city administration in Edmonton, the CNR management or the labour unions in that city to determine, before the policy is announced, the serious adverse effect such a cut-back in rail service would have on Edmonton, which is a major CNR western terminal?

[Mr. Macdonald (Rosedale).]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I would have thought the hon. member might have checked my response to questions yesterday from which it is clear that I do not accept the word "cut-back" as an adequate description of anything I propose to talk about tomorrow because it is a very important question of improving as well as rationalizing rail service. We have had extensive consultations throughout the country, as will become apparent tomorrow. This is the first step in the process and a great deal of consultation will take place before decisions in regard to different areas are made.

Mr. Roche: I want to ask the minister if he is planning any legislation with regard to changes in rail service in Canada which would give members of parliament an opportunity to debate how a proposed or anticipated cut in rail service could be reconciled with Liberal compaign promises in 1974 to increase rail transportation service as a basic Canadian response to the energy crisis.

Mr. Lang: Again the hon. member is anticipating. He would be much better off making his comment after he sees the direction in which we propose to go. He will see indeed that we have a firm commitment to the rail service and to a better rail service in the country, not to the continuation of a lot of bad service.

Some hon. Members: Hear, hear!

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ADMINISTRATION OF JUSTICE

USE OF CONFIDENTIAL DOCUMENTS IN COURT CASES—GOVERNMENT ACTION TO PREVENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to put a question to the Minister of Justice. I put the same question to him before the recess and it is in reference to the Pilkington glass case in which the Lord Chief Justice condemned as disgraceful the practice of using information from income tax forms and other confidential information which individuals and corporations are forced to file. What course has the Minister of Justice taken since I raised this question and what report has he to make to the House now?

Hon. Ron Basford (Minister of Justice): As I indicated to the hon. member before the Christmas recess, I have instructed my officials that in any audit matters auditors from the Department of National Revenue were not to be used in order to avoid any possible confusion on the part of the taxpayers or persons being audited. That instruction has been carried out. In addition, some action is being taken against the Crown as a result of that action and because of the very peculiar nature of the lawsuit, I have, on behalf of the Attorney General of Canada, retained the services of J. J. Robinette, Q.C. in Toronto.

Mr. Woolliams: I take it that the Minister of Justice has given some instructions regarding a course of action against those who use such information either directly or indirectly in contravention of the law of Canada. Is it his instruction that necessary legal steps be taken to bring these people to task?

Mr. Basford: Of course, it has always been the law that income tax information was not to be used by anyone for any purposes other than the administration of the Income Tax Act. That has been the instruction and it continues to be so. What I was indicating was that we have instructed that any inquiry or investigation by auditors from the Department of National Revenue not be used for other purposes than auditing under the Income Tax Act to avoid any possible confusion by people that the information was being obtained under the provisions of the Income Tax Act or some other statute.

Mr. Woolliams: The minister has now admitted that this is a wrong practice on the part of whoever is using this information, whether they be government auditors, government officials or whether the information is obtained through leaks from the Department of National Revenue to other people and other departments. What recourse is there in law against people breaking the law in Canada when they hide behind the Attorney General of Canada?

● (1440)

Mr. Basford: Mr. Speaker, the hon. member has read far too much into my answer. There is no indication—and I want to make this very clear—of any wrongdoing by public servants in this matter at all. I have taken some steps to ensure in the future that there is no confusion among taxpayers or those being audited as to the legislation under which they are being audited.

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PUBLIC BUILDINGS

FISHERIES BUILDING, CAPE BRETON—REQUEST FOR EARLY COMMENCEMENT OF CONSTRUCTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Public Works. In light of the very seriously high unemployment rate on Cape Breton Island, would the minister use his good office in conjunction with the other departments concerned to expedite the commencement of the new federal fisheries building now planned and the major renovations to the present federal building, both of which have been on the drawing boards for a long time? In this way we might at least get some short term employment.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I will be glad to consider again our priority list.

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[*Translation*]

ADMINISTRATION OF JUSTICE

REASON DR. MORGENTALER GRANTED NEW TRIAL

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of Justice.

Can the minister give the House the reasons that led him to request a new trial for Dr. Morgentaler? Does the minister not fear that by so doing he is creating a precedent in Canada in that he is allowing his department to act as a substitute for our courts of law?

[*English*]

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the reasons upon which I acted are set out in the statement I made last Thursday, and I will be happy to supply the hon. member with a copy if he wishes or table one in the House. Briefly paraphrasing, they are a result of the decision of the court of appeal of the province of Quebec last Tuesday, which indicated that the law of necessity is a recognized defence in law, and that there was in the second trial sufficient evidence to go to a jury. On the submission of counsel for Dr. Morgentaler, I felt there was similar evidence available for the first trial and that a new trial should be ordered. Second, I felt that parliament was soon to pass—as it did yesterday—Bill C-71, which limits the right of a court of appeal on application by the Crown to either order a new trial or deny the appeal, and that the one man who had caused parliament to act in this way should receive the benefit of that provision. Those essentially were my two reasons, and they were set out in my statement of last Thursday.

In so far as the second part of the question of the hon. member is concerned, I think he is not quite correctly interpreting the law. Section 617 of the Criminal Code makes it very clear that the federal Minister of Justice has the authority and the right in special cases, upon inquiry, to order a new trial in any case which fits within the section. This is not a precedent. That is a section which has been used on a considerable number of occasions throughout the history of the criminal law.

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PERFORMING ARTS

REASON FOR CANCELLATION OF FESTIVAL CANADA

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Secretary of State. Would the minister please advise what possessed him to advise his colleagues that Festival Canada, a very important national function, be cancelled? Specifically, could the minister not find $200,000 in some other aspect of his budget which would have allowed this program to continue? Would the minister undertake to prevail upon his colleagues to reconsider this decision?

Some hon. Members: Oh, oh!

An hon. Member: Government spending, Walter.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I cannot take that sort of representation seriously. The hon. member was one of the most outspoken of those on the other side who were insisting the government cut back expenditures. We start cutting expenditures, and now he wants them reinstated.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Would the minister advise the House what criterion is being used by the government with respect to programs of this nature? Is it a consistent rationale, aside from something cosmetic? I ask that question because of the cut with respect to Festival Canada and the cut in the program under the National

Capital Commission with respect to lighting on the canal in this city. I think the priorities of this government are just dreadful.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. With all due respect, I am sure the hon. member realizes that sort of question ought to be put to the minister when his estimates are before the standing committee.

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SOCIAL SECURITY

GOVERNMENT INTENTIONS WITH REGARD TO GUARANTEED ANNUAL INCOME

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. When the minister introduced the spouses legislation, the House will recall that he had some concern about employables and unemployables, and that it was his intention to introduce legislation this year. I think it is called guaranteed annual income. In the meantime, though, we have government cutbacks in the fight against inflation. I should like to ask the minister, what is his plan now in this regard? Does he intend to proceed with this legislation or, because of government cutbacks in the fight against inflation, will this matter be held in abeyance?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I do not recall having told the House that legislation on the matter would be introduced this year. However, I did say, and I repeat it here, that negotiations with the provinces are continuing; I trust an agreement will be reached with them in coming months after which, if agreement is reached, appropriate legislation would be introduced; but, I doubt that it could be this year.

[*English*]

Mr. Alexander: Am I to understand from the answer to that question that notwithstanding the government's program of cutting back, in this particular instance the minister will be proceeding with this legislation this year?

[*Translation*]

Mr. Lalonde: Absolutely not, Mr. Speaker. I said, and very clearly, that my purpose is to reach an agreement with the provinces sometime this year, but that there was no question of introducing such legislation during the current session or this year. I do hope, however, that next year, in the next financial year, it will be possible to introduce appropriate legislation.

[Mr. Baker (Grenville-Carleton).]

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR CLARIFICATION OF STATEMENTS REGARDING AID TO OTHER COUNTRIES

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, in view of the statement of the House leader that there are many countries in the world with whose policies we do not agree, we do not think it is in the interests of world peace, world development and the improvement of the lot of poor people throughout the world, when we have these differences, to cease commercial relations or aid. I should like to compare that statement with the statement of the Secretary of State for External Affairs of July 23, 1975, when he said:

> Mr. Speaker, with reference to the nuclear explosion, following the explosion our government suspended all its aid programs with India with the exception of food and agriculture. That situation continues at the present time. The nuclear co-operation has been suspended and aid, with the exception of food and agriculture, is also under suspension.

Mr. Speaker: Order, please. The hon. member for New Westminster.

Mr. Wenman: Has the suspension now been lifted?

Mr. Speaker: Order, please.

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ANTI-INFLATION BOARD

INCREASE IN AUTOMOBILE INSURANCE PREMIUMS IN BRITISH COLUMBIA—POSSIBILITY OF INVESTIGATION BY BOARD

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Finance, but he has disappeared. I will direct it to the government House leader in his absence.

In view of the statement this week by Mr. Byron Straight of the ICBC of British Columbia that the rates being charged there are higher than necessary—and this man is the consulting actuary to that firm—and in view of the public intervention of the AIB in the teacher negotiations in Ontario before an agreement was entered into, would the minister advise the House if the AIB, although not being requested by the province of British Columbia, is in fact now investigating ICBC rates, which have risen by 300 per cent while people's wages have been controlled and frozen? Would the minister advise if any investigation is now taking place with regard to those rates?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I do not know what the AIB is investigating at the present time. As to the position with relation to the ICBC, I thought the minister set forth the position very clearly.

● (1450)

Mr. Leggatt: Mr. Speaker, my supplementary question concerns the inflationary psychology which clearly results from the rate increase in British Columbia. Will the minister advise the House if it is clear that the AIB has investigated not only the higher rates but the effect which the

increase in auto rates will have on inflationary psychology in British Columbia?

Mr. Sharp: Mr. Speaker, I am sure that the AIB is following our discussions here closely and will note the comments of the hon. member.

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CANADIAN PACIFIC RAILWAY

RESTORATION OF RAIL SERVICE TO GLENWOOD AND HILL SPRING—REASON FOR DELAY

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Minister of Transport. On November 7, 18 and 21, I asked the minister questions regarding the restoration of rail service to Glenwood and Hill Spring, and the minister replied in part on one occasion that the CTC had a part to play in the matter, a bridge was under repair, and that the CTC, CPR and the Minister of Transport were all looking for one another. Will the minister inform the House whether or not he plans to do anything about this serious situation?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will check the exact dates on which certain steps were taken in this regard and bring the hon. member up to date on the matter.

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INQUIRY OF THE MINISTRY

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Will the minister share with this House and the people of Canada the thrust of the secret discussion he had in Toronto with a select group of business leaders from that city, which meeting we understand was arranged by the Canadian Manufacturers Association after the Prime Minister's remarks on December 28 last?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I remind the hon. member that on many occasions I, as I am sure he does, meet with my constituents and with different groups of people who are representative of many interests in the community. It was not a secret meeting, but it was a private meeting.

Mr. Kempling: Mr. Speaker, no matter whether the meeting was secret or private, would the minister explain why those who attended the meeting were instructed not to talk to the media about the discussions? Also, did the minister convey to them explanations not covered by the Prime Minister in his "Parable of the Candles" address to the Canadian Club?

Mr. Speaker: Order, please.

FINANCE

EFFECT ON INFLATION OF ACQUISITION BY BANK OF CANADA OF SUBSTANTIAL PART OF NEW BOND ISSUE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question was for the Minister of Finance. As he is absent may I defer it until tomorrow, unless the Acting Prime Minister wishes to answer.

I note that the minister has returned. May I direct a question to the Minister of Finance, Mr. Speaker? Was there consultation between officials of the Bank of Canada and the minister prior to the bank's agreeing to acquire a minimum of 275 million of the new issue of government of Canada bonds for $550 million on February 1, 1976; and, if so, would he not agree that the government and the bank are expanding the money supply in order to meet the borrowing requirements of the government, which can only further fuel the fires of inflation in this country?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, there is a measure of consultation of course between the bank officials and those of my department with regard to the issues of securities from time to time in respect of which the bank is the government of Canada's agent. Of course, very often the bank itself buys some part of the issue on its own account. The judgment of the governor at this stage, in this particular situation, is that the participation in that issue will not defeat the general objective he has of reducing the rate of the growth of the money supply.

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VETERANS AFFAIRS

POSSIBLE DATE OF INTRODUCTION OF LEGISLATION CONCERNING PENSIONS FOR PRISONERS OF WAR

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is addressed to the Minister of Veterans Affairs. In view of the disappointment, discouragement and dismay of this country's veterans, particularly prisoners of war, at this government's lack of action in introducing legislation based on the recommendations of the Standing Committee on Veterans Affairs, a feeling which the minister shares, can the minister say what action he will take tomorrow in cabinet, what stand he will take if he is turned down again, and if there is any hope in the near future of seeing this legislation introduced? When he answers, I ask the minister to refrain from using the phrase "The matter is under consideration and there will be an announcement in due course."

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I shall be glad to comply with the last part of the hon. member's request. I remind my colleague opposite that the government has been considerate and generous in heeding the many requests of veterans and the advice of CPC. There are increases of 24 per cent coming under CPC, and 17 per cent under WVA, plus other benefits. Many other items have been passed in the past year, too numerous to mention at this time. Probably, in a couple of weeks I will be able to bring a message for hon.

members on the government's intentions with respect to POW compensation.

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HEALTH

REQUEST FOR PROGRAM TO COMBAT INCREASE IN GLUE SNIFFING—GOVERNMENT POSITION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question to the Minister of National Health and Welfare arises from the statement of the Canadian Home and School and Parent-Teacher Federation, to the effect that, as the incidence of glue sniffing and of other toxic substances seems to be on the increase among our children—meaning the children of this group—a government program to combat this practice is urgent. Is the minister in the position to reconsider his previous answer and announce a national program to combat this problem?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my previous reply remains unchanged.

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[*English*]

PENITENTIARIES

DATE OF TABLING OF REPORT OF FARRIS INQUIRY

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Solicitor General. Can the Solicitor General tell the House when he intends to table the report of the Farris inquiry into the B.C. penitentiary hostage taking?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the report is ready for tabling but we are waiting for the trial taking place in British Columbia to be completed. The judge asked that his report not be made public while that trial is under way.

Mr. Reynolds: Mr. Speaker, to which trial is the minister referring? The trial of the three inmates charged with murder has been stayed. Is he talking about another trial which is now taking place?

Mr. Allmand: Mr. Speaker, excuse me, it is the trial of the three inmates who took the hostages, Messrs. Lucas, Bruce and Wilson.

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TRANSPORT

REQUEST FOR IMPROVEMENT IN PASSENGER SERVICE BETWEEN WINNIPEG AND CHURCHILL

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the Minister of Transport. As rail passenger travel between Winnipeg and Churchill can now be classed as a national disaster, will the minister not guarantee that passenger service on this line will be upgraded so that people who have no alternate means of transport can travel in a comfortable and secure manner?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am sure that this important question will be under consideration in the matter to be indicated by me tomorrow.

* * *

HEALTH

ALLEGED DANGER IN USE OF ARTIFICIAL FOOD COLOURING RED 2—ACTION TO PROTECT CONSUMERS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the concern which has developed about the artificial food colouring known as Red 2, which appears to be a health hazard and is being banned in the United States, can the minister state what steps his department is taking regarding Red 2 in order to protect the health of Canadians?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my department has considered very seriously the U.S. government's decision on the so-called Red Dye No. 2. We are consulting the members of the European Economic Community on this matter as well as the U.S. scientific authorities. I am advised by my department that it is not deemed appropriate for the moment to take any steps in this respect, and we are not in agreement with the decision taken by the U.S. authorities in this respect.

ROUTINE PROCEEDINGS

[*English*]

EVIDENCE CODE

MEASURE TO IMPLEMENT RECOMMENDATIONS OF LAW REFORM COMMISSION

Mr. R. Gordon L. Fairweather (Fundy-Royal) moved for leave to introduce Bill C-423, to codify the law of evidence.

Some hon. Members: Explain.

Mr. Fairweather: Mr. Speaker, the purpose of this bill is to implement the recommendations of the Law Reform Commission in its final report on evidence. The bill is an integral reproduction of the commission's draft, and I acknowledge freely that I have used their draft in every respect but one. In that case I felt that the commission had gone too far, and I would have excluded evidence of the victim's character in sexual cases for purposes of disposition. I wanted to bring this bill before the House before the retirement of Mr. Justice Hartt, because I believe this House owes it to Mr. Justice Hartt to adopt at least one of

the 14 reports made by the commission in the form of legislation before he retires.

Some hon. Members: Hear, hear!

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

* * *

● (1500)

[*Translation*]

OLYMPIC ACT

AMENDMENT TO EXTEND AND ALLOW OPERATION OF LOTTERY BY OTHER PERSONS

Mr. Serge Joyal (Maisonneuve-Rosemont) moved for leave to introduce Bill C-424, intituled: "An Act to amend the Olympic Act (authorization)".

Some hon. Members: Explain.

Mr. Joyal: Mr. Speaker, the purpose of this bill is to amend section 10 of the Olympic (1976) Act, to authorize a company other than the Olympic Games to pursue the operations of the Olympic Lottery after the games have taken place in 1976.

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

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,214, 3,283, 3,361 to 3,457 inclusive, 3,610, 3,746 3,755 and 3,806.

[*Text*]

TAPPING TELEPHONE CALLS

Question No. 3,214—**Mr. Cossitt:**

1. Did the Prime Minister say to a journalist, as quoted on page 51 of the October 20, 1975 issue of *Maclean's Magazine* that "The first Cabinet leak you get, I'll have your phone tapped by the RCMP" and, if so (a) in what location (b) on what date (c) to whom?

2. Since April 20, 1968, has the Prime Minister, or has anyone acting on his behalf, or has anyone else in government, ordered the tapping or listening by any means whatsoever to the telephone of any journalist, news agency or publication and, if so (a) on what dates (b) for what purpose (c) what are the names and addresses of all those involved?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Prime Minister's Office and the Solicitor General as follows: 1. See Beauchesne's Parliamentary Rules and Forms, fourth edition, citation 171(e) to the effect that questions oral or written, must not inquire whether statements made in a newspaper are true.

2. No.

DEFICIT OF AIR CANADA AND CNR IN MARITIME AND ATLANTIC REGIONS

Question No. 3,283—**Mr. Jones:**

1. What is the deficit of Air Canada for the (a) Maritime or Atlantic region (b) other regions of Canada for each year 1970 to date?

2. What is the deficit of Canadian National Railways for the (a) Atlantic region (b) other regions of Canada for each year 1970 to date?

3. What is the deficit of the Canadian Film Board for the (a) Maritime or Atlantic region (b) other regions of Canada for each year 1970 to date?

4. What is the deficit of the Canadian Broadcasting Corporation for the (a) Atlantic region (b) other regions of Canada for each year 1970 to date?

Hon. Mitchell Sharp (President of the Privy Council): 1. The airline does not compile the requested data on a regional basis.

2. Data is not available on the breakdown of income on a regional basis as requested.

3. The National Film Board's estimates are voted by parliament and reviewed in committee. The National Film Board cannot spend more than the combined total of what is voted by parliament and the board's revenues. It does not, therefore, incur a deficit.

4. The CBC's estimates are voted by parliament and reviewed in committee. CBC cannot spend more than the combined total of what is voted by parliament and the corporation's commercial revenues. It does not, therefore, incur a deficit.

CANADIAN AID TO ALGERIA

Question No. 3,361—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Algeria (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO ANTIGUA

Question No. 3,362—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Antigua (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO THE BAHAMAS

Question No. 3,363—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Bahamas (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO BANGLADESH

Question No. 3,364—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Bangladesh (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

[Mr. Sharp.]

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO BARBADOS

Question No. 3,365—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Barbados (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO BELIZE

Question No. 3,366—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Belize (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO BOLIVIA

Question No. 3,367—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Bolivia (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO BOTSWANA

Question No. 3,368—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Botswana (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO BRAZIL

Question No. 3,369—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Brazil (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO BRUNEI

Question No. 3,370—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Brunei (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO BURMA

Question No. 3,371—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Burma (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO BURUNDI

Question No. 3,372—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Burundi (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO CAMEROON

Question No. 3,373—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Cameroon (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

[Mr. Sharp.]

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO CENTRAL AFRICAN REPUBLIC

Question No. 3,374—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Central African Republic (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO CHAD

Question No. 3,375—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Chad (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO CHILE

Question No. 3,376—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Chile (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO COLOMBIA

Question No. 3,377—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Colombia (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO CONGO

Question No. 3,378—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Congo (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO COSTA RICA

Question No. 3,379—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Costa Rica (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO CUBA

Question No. 3,380—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Cuba (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO CYPRUS

Question No. 3,381—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Cyprus (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO DAHOMEY

Question No. 3,382—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Dahomey (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO DOMINICA

Question No. 3,383—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Dominica (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO DOMINICAN REPUBLIC

Question No. 3,384—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Dominican Republic (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO EQUADOR

Question No. 3,385—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Equador (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO EGYPT

Question No. 3,386—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Egypt (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO EL SALVADOR

Question No. 3,387—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in El Salvador (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO FIJI

Question No. 3,388—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Fiji (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO GABON

Question No. 3,389—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Gabon (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO GAMBIA

Question No. 3,390—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Gambia (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO GHANA

Question No. 3,391—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Ghana (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

[Mr. Sharp.]

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO GRENADA

Question No. 3,392—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Grenada (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO GUATEMALA

Question No. 3,393—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Guatemala (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO GUINEA

Question No. 3,394—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Guinea (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO GUYANA

Question No. 3,395—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Guyana (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO HAITI

Question No. 3,396—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Haiti (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO HONDURAS

Question No. 3,397—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Honduras (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How much projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO HONG KONG

Question No. 3,398—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Hong Kong (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO INDIA

Question No. 3,399—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in India (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO INDONESIA

Question No. 3,400—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Indonesia (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How much projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO IRAQ

Question No. 3,401—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Iraq (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO IVORY COAST

Question No. 3,402—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Ivory Coast (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO JAMAICA

Question No. 3,403—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Jamaica (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO JORDAN

Question No. 3,404—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Jordan (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO KENYA

Question No. 3,405—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Kenya (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO KHMER REPUBLIC

Question No. 3,406—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Khmer Republic (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO KOREA

Question No. 3,407—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Korea (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO LAOS

Question No. 3,408—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Laos (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO LEBANON

Question No. 3,409—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Lebanon (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

[Mr. Sharp.]

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO LEEWARD AND WINDWARD ISLANDS

Question No. 3,410—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Leeward and Windward Islands (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO LESOTHO

Question No. 3,411—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Lesotho (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO MALAGASY

Question No. 3,412—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Malagasy (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO MALAWI

Question No. 3,413—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Malawi (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO MALAYSIA

Question No. 3,414—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Malaysia (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO MALDIVE ISLANDS

Question No. 3,415—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Maldive Islands (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO MALI

Question No. 3,416—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Mali (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO MALTA

Question No. 3,417—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Malta (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO MAURITANIA

Question No. 3,418—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Mauritania (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO MAURITIUS

Question No. 3,419—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Mauritius (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO MONTSERRAT

Question No. 3,420—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Montserrat (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO MOROCCO

Question No. 3,421—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Morocco (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO NAMIBIA

Question No. 3,422—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Namibia (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO NEPAL

Question No. 3,423—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Nepal (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO NICARAGUA

Question No. 3,424—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Nicaragua (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO NIGER

Question No. 3,425—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Niger (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO NIGERIA

Question No. 3,426—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Nigeria (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO PAKISTAN

Question No. 3,427—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Pakistan (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

[Mr. Sharp.]

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO PANAMA

Question No. 3,428—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Panama (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO PARAGUAY

Question No. 3,429—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Paraguay (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO PERU

Question No. 3,430—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Peru (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO PHILIPPINES

Question No. 3,431—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Philippines (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO RHODESIA

Question No. 3,432—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Rhodesia (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO RWANDA

Question No. 3,433—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Rwanda (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO ST. KITTS

Question No. 3,434—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in St. Kitts (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO ST. VINCENT

Question No. 3,435—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in St. Vincent (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO SAMOA

Question No. 3,436—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Samoa (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

[Mr. Sharp.]

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO SENEGAL

Question No. 3,437—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Senegal (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO SIERRA LEONE

Question No. 3,438—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Sierra Leone (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO SINGAPORE

Question No. 3,439—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Singapore (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO SOUTH VIETNAM

Question No. 3,440—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in South Vietnam (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO SRI LANKA

Question No. 3,441—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Sri Lanka (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO SUDAN

Question No. 3,442—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Sudan (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO SWAZILAND

Question No. 3,443—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Swaziland (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO SYRIA

Question No. 3,444—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Syria (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO TANZANIA

Question No. 3,445—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Tanzania (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

[Mr. Sharp.]

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO THAILAND

Question No. 3,446—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Thailand (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO TOGO

Question No. 3,447—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Togo (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO TRINIDAD AND TOBAGO

Question No. 3,448—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Trinidad and Tobago (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO TUNISIA

Question No. 3,449—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Tunisia (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO TURKEY

Question No. 3,450—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Turkey (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO UGANDA

Question No. 3,451—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Uganda (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

Order Paper Questions

CANADIAN AID TO UPPER VOLTA

Question No. 3,452—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Upper Volta (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO URUGUAY

Question No. 3,453—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Uruguay (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO VENEZUELA

Question No. 3,454—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Venezuela (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO YEMEN

Question No. 3,455—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Yemen (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO ZAIRE

Question No. 3,456—Mr. Munro (Esquimalt-Saanich):

1. What projects have been financed through use of CIDA (or External Aid) funds in Zaire (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

CANADIAN AID TO ZAMBIA

Question No. 3,457—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Zambia (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Hon. Mitchell Sharp (President of the Privy Council): See reply to Question No. 3,360 tabled this day.

PRIME MINISTER'S USE OF AIRCRAFT ON TRIP TO WESTERN CANADA

Question No. 3,610—**Mr. Cossitt:**

What means of transportation was used by the Prime Minister for his trip to Western Canada on the weekend commencing November 21, 1975 (a) what aircraft was used (b) what was the cost per hour of keeping such aircraft in the air (c) how many hours of flying time were involved (d) what was the cost per hour of keeping such aircraft waiting on the ground (e) how many hours of waiting time were involved (f) what is a complete list of all flights made by the aircraft on this trip including take-off and arrival times and all places visited (g) what is a complete list of all persons on board the aircraft at any time during any of the flights?

Hon. Otto E. Lang (Minister of Transport): (a) Transport Canada Lockheed Jetstar CF-DTF. (b) and (d) The average cost of keeping the aircraft in the air and on the ground is $970 per flight hour. (c) 10:30 hours flying time. (e) 69:55 hours waiting time. (f) and (g) See list below.

Date	Depart	Time	Arrive	Time	Passengers
November 20	Ottawa	1350	Winnipeg	1625	Right Hon. P. E. Trudeau Mr. R. Murdoch Mr. I. MacDonald Mr. Rouleau Mrs. Rouleau Mr. P. Rouleau
November 20	Winnipeg	1640	Edmonton	1830	Right Hon. P. E. Trudeau Mr. R. Murdoch Mr. I. MacDonald Mr. Rouleau Mrs. Rouleau Mr. P. Rouleau
November 20	Edmonton	2115	Vancouver	2240	Right Hon. P. E. Trudeau Mr. R. Murdoch Mr. Rouleau Mrs. Rouleau Mr. P. Rouleau
November 23	Vancouver	1240	Calgary	1350	Right Hon. P. E. Trudeau Mr. R. Murdoch Mr. Rouleau Mrs. Rouleau Mr. P. Rouleau Master Justin Trudeau Master Sasha Trudeau
November 23	Calgary	1845	Ottawa	2215	Right Hon. P. E. Trudeau Mr. R. Murdoch Mr. Rouleau Mrs. Rouleau Mr. P. Rouleau Master Justin Trudeau Master Sasha Trudeau

NOTE: Itinerary and Passengers (All times are Eastern Standard Time).

Order Paper Questions

MINISTRY OF SOLICITOR GENERAL—RETENTION OF LAWYERS IN THE CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,746—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of the Solicitor General during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Warren Allmand (Solicitor General): Nil.

LIP ALLOCATIONS TO BRITISH COLUMBIA IN 1975-76

Question No. 3,755—**Mr. Whittaker:**

1. What was the total amount allocated to British Columbia for the Local Initiatives Programme in 1975?

2. What was the amount allocated to the Constituency of Okanagan Boundary and on what basis?

3. By constituency, what was the amount allocated to the other twenty-two constituencies?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. $18,128,000.

2. $883,000. Refer to the 1975-76 LIP allocation formula, to be tabled in the House of Commons during this session.

3. See below.

Allocation of Program Funds by Constituency

Constituency	Amount Allocated
Burnaby-Richmond-Delta	325,000
Burnaby-Seymour	250,000
Capilano	384,000
Coast Chilcotin	1,145,000
Comox-Alberni	1,069,000
Esquimalt-Saanich	804,000
Fraser Valley East	979,000
Fraser Valley West	363,000
Kamloops-Cariboo	1,014,000
Kootenay West	608,000
Nanaimo-Cowichan-The Islands	1,251,000
New Westminster	482,000
Okanagan-Kootenay	1,142,000
Prince George-Peace River	1,255,000
Skeena	1,631,000
Surrey-White Rock	506,000
Vancouver Centre	1,088,000
Vancouver East	835,000
Vancouver Kingsway	491,000
Vancouver Quadra	368,000
Vancouver South	378,000
Victoria	877,000

FRENCH LANGUAGE RADIO AND TELEVISION SERVICES

Question No. 3,806—**Mr. Bawden:**

1. Does the government have any plans for the expansion of French language radio and television services in the Province of Alberta between now and 1980 and, if so, how much will such expansion cost?

2. What areas of the Province will be covered by the expanded facilities and in which centers will transmission facilities be located?

3. How many French language persons are to be served by the expanded facilities?

[Mr. Lang.]

4. What expansion of English services are to be supplied by radio and television in the Province of Quebec during the same period?

5. How much will such expansion cost?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The CBC has plans for the extension of French-language radio and television services in Alberta under the Accelerated Coverage Plan. Estimated costs for each project are made public as soon as a hearing is scheduled by the CRTC.

2. All areas with 500 or more people now unserved in the appropriate official language are included in the ACP. The ACP is a large, complex and highly integrated five-year undertaking involving more than 300 locations and 600 engineering projects. Names of the locations and the nature of the service to be provided are made public step by step, as applications for licences are made to the CRTC.

3. Approximately 9,500 French-speaking people in Alberta will receive CBC French radio service and 7,300 will receive CBC French television service.

4. See reply to part 2.

5. See second sentence of reply to part 1.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 3,360 and 3,498 could be orders for returns, these returns would be tabled immediately.

[*Text*]

CANADIAN AID TO AFGHANISTAN

Question No. 3,360—**Mr. Munro (Esquimalt-Saanich):**

1. What projects have been financed through use of CIDA (or External Aid) funds in Afghanistan (a) which ones are completed and which are still in the course of completion (b) what is the nature and purpose of each such project and what is the estimated cost (c) how many Canadians or Canadian companies (by name) are involved in such projects?

2. How much credit has the Export Credit Corporation extended for development projects in this country (a) at what rate of interest (b) with what grace period (c) for how long (d) what Canadian companies are involved?

3. What CUSO, CESO or other NGO project is being financed, if only in part, from CIDA funds in this country and for how much?

4. How many students from this country are or have been in (a) Canada for training (b) third countries for training and in which ones?

5. How many projects in this country are being managed by Canadian universities (a) at what cost to CIDA (b) which universities?

6. What other Canadian public funds are at the disposal of this country for bilaterally-negotiated development projects and which ones?

7. Is this country a recipient of assistance for any regional project under a CIDA programme and, if so (a) what other countries are involved in each project (b) how much has been allocated by CIDA for these projects (c) how many Canadians or Canadian companies (by name) are involved in these projects?

Return tabled.

CROWN CORPORATIONS

Question No. 3,498—**Mr. Fortin:**

1. For each propriety Crown corporation, what is the government's investment in terms of (a) capital stock (b) long-term (c) medium-term (d) short-term loans?

2. For each category, what is the rate of interest?

3. During the past three years, did the government grant any loan under Section 82 of the Financial Administration Act and, if so (a) to whom (b) for how long (c) at what rate of interest?

Return tabled.

* * *

[*English*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 3,527?

[*Text*]

*DREE—REASON FOR REDUCED BUDGET

Question No. 3,527—**Mr. MacDonald (Egmont):**

Does the decline, since 1972, in the budget for DREE as a percentage of total government expenditures represent a reduced commitment to, or a lower Cabinet priority for, the goal of reducing regional disparities in Canada and, if not, what is the reason for the decline?

[*English*]

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the answer to this question is "no". The percentage of the total federal budget devoted to DREE is naturally influenced by spending increases in other areas. The most important example of such an increase is, of course, the recent program to cushion consumers from the effects of high international oil prices. However, there have also been substantial rises in spending in other areas such as equalization payments to the provinces and various health and welfare measures. I am sure the hon. member will agree that these are important expenditures.

Mr. Blais: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

MOTIONS FOR PAPERS

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that all notices of motions be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed from Monday, January 26, 1976, consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the third time and do pass, and the amendment of Mr. Blackburn (p. 10321).

Mr. Speaker: Pursuant to order made Monday, January 26, 1976, the House will now proceed to the taking of the deferred division on the amendment of Mr. Blackburn, seconded by Mr. Knowles (Winnipeg North Centre). Call in the members.

The House divided on the motion (Mr. Blackburn) which was negatived on the following division:

(*Vote No. 100*)

YEAS

Messrs.

Alexander
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Benjamin
Blackburn
Brewin
Brisco
Broadbent
Cadieu
Caouette (Villeneuve)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Darling
Dick
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Fairweather
Firth
Fortin
Gauthier (Roberval)
Gilbert
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Howie
Hurlburt
Jarvis
Jelinek
Johnston
Jones
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
La Salle
Lawrence
Leggatt
MacKay
MacLean
Malone
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Murta
Neil
Nielsen
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rodriguez
Rondeau
Saltsman
Schellenberger
Skoreyko
Smith (Churchill)
Stanfield
Stewart (Marquette)
Symes
Towers
Wenman
Whittaker
Wise
Woolliams
Yewchuk—95.

NAYS

Messrs.

Abbott
Allmand
Andres (Lincoln)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Boulanger
Breau
Bussières
Caccia
Cafik
Campagnolo (Mrs.)

Messrs.

Campbell (Miss) (South Western Nova)	Guay (Lévis)	Martin
Campbell (LaSalle-Émard-Côte Saint-Paul)	Guilbault	McIsaac
Caron	Harquail	McRae
Chrétien	Herbert	Morin (Mrs.)
Clermont	Holt (Mrs.)	Nicholson (Miss)
Collenette	Hopkins	O'Connell
Condon	Isabelle	Olivier
Corbin	Jamieson	Ouellet
Corriveau	Joyal	Parent
Côté	Kaplan	Pearsall
Cyr	Lachance	Pelletier
Danson	Lajoie	Penner
Daudlin	Lalonde	Philbrook
Demers	Landers	Pinard
Dionne (Northumberland-Miramichi)	Lang	Portelance
Douglas (Bruce-Grey)	Langlois	Poulin
Drury	Laniel	Prud'homme
Duclos	Lapointe	Railton
Dupont	Leblanc (Laurier)	Raines
Dupras	LeBlanc (Westmorland-Kent)	Richardson
Duquet	Lee	Roberts
Ethier	Lefebvre	Robinson
Faulkner	Lessard	Rompkey
Fleming	Loiselle (Chambly)	Rooney
Foster	Loiselle (Saint-Henri)	Roy (Timmins)
Fox	Lumley	Roy (Laval)
Francis	MacDonald (Cardigan)	Sauvé (Mrs.)
Gauthier (Ottawa-Vanier)	Macdonald (Rosedale)	Sharp
Gendron	MacFarlane	Smith (Saint-Jean)
Gillespie	MacGuigan	Stanbury
Goodale	Maine	Stollery
Goyer	Marceau	Tessier
Gray	Marchand (Langelier)	Trudel
Guay (St. Boniface)		Turner (London East)
		Watson
		Whelan
		Yanakis
		Young—120.

● (1530)

Mr. Speaker: I therefore declare the amendment lost.

Amendment (Mr. Blackburn) negatived.

Mr. Lang moved that the bill be read the third time and do pass.

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

Some hon. Members: On division.

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

* * *

[*Translation*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-68, an act to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, I wish today to move second reading of Bill C-68. In doing so I would like to ask the House to consider first of all the recent development and accomplishments of the Canadian health care delivery system.

[Mr. Speaker.]

I think it fair to say that Canadians enjoy one of the best health care systems in the world. Federal-provincial programs have been in effect since 1958 for hospital care and since 1968 for Medical Care. These programs are based on the principles that they should be available to all residents; that they should be comprehensive; that they be publicly administered; and that the benefits be portable from one province to the other in the case of interprovincial migration and during periods of temporary absence anywhere in the world.

As a result of these programs, virtually the whole population of Canada is at present insured against the costs of necessary hospital and medical care. The federal contributions for these plans come from general revenue. Sources of provincial contributions vary from province to province. The coverage offered is total, in that there is no upper limit to the insured services which may be received as long as they are medically required.

Generally, no payment is required from the patient at the time of service. In addition to these basic medical and hospital care programs that are cost-shared by the federal and provincial governments, the provinces have added other services on an individual priority basis such as home care, dental care for children, ambulance service, prescriptions for older people and so on. The nature of these complementary services varies from one province to another.

The national programs ensure that comprehensive services are available to everyone, but they would be totally ineffective without the natural ability, dedication and excellent training of the men and women who provide these services. I am speaking of the general practitioner, the paediatrician, the obstetrician, other types of specialists, the nurses, and the many other health professionals working in the health field.

What have we accomplished as a result of these health programs? It is difficult sometimes to measure the impact of a major public program because methods for measuring the success or failure are generally not precise. Various mortality rates may be cited although improvements in these rates do not depend solely upon the adequacy of health care. There have been some dramatic improvements in certain indicators. Our maternal mortality rate dropped from 27 per 100,000 live births in 1968 to 11 in 1973, which is now one of the very lowest in the world. During the same period, our infant mortality rate dropped from 20.8 per 1,000 live births to 15.5, by-passing the United Kingdom, Australia, New Zealand and France in ranking.

In 1973 infant mortality in Canada was 14 per cent lower than in the United States while in 1968, it was only slightly lower. We believe that these marked changes, of which we are very proud, are not unrelated to the considerable improvement in both physical and financial access to necessary care which resulted when our medical care program was added to the pre-existing hospital insurance program.

When one hears about people in some other countries where there is no universal health insurance, being faced with the prospect of losing their homes and their life savings through even one episode of serious illness, we can certainly appreciate how lucky Canadians are in comparison with others. The Canadian health insurance programs

are a very important part of our social security system. Being universal, they cover virtually all eligible residents of Canada—regardless of age, income, previous health, employment status or place of residence within Canada. Coverage is not subject to interruption during periods of lay-off, unemployment, or retirement, a feature of particular importance to the self-employed and seasonally employed residents of rural areas.

The hospital insurance program certainly solved the acute financial problems that were being experienced by many of our hospitals in the late fifties, and this contributed to a marked improvement in the quality of hospital care, thanks to more stable and rational financing. Despite predictions that the advent of medicare would provoke a mass exodus of physicians to other countries; that immigration of foreign physicians would diminish; and that medicine would cease to be attractive as a career—the number of doctors has in fact dramatically increased since 1968, the year in which the program was implemented. Indeed, this growth rate has been much higher than the growth rate of the population as a whole. This resulted from the attraction of more stable and higher incomes for physicians made possible by medicare; a rapid increase in training facilities; and, until recently, a continuing high rate of immigration.

In 1968 the doctor-population ratio was 1:769. By 1974 this ratio had become 1 doctor to 586 inhabitants. This surpassed the ratio of 1:650 that the 1964 Royal Commission on Health Services had set as a goal for 1991. In fact, at the moment, there is concern among some people—including doctors themselves—that we might be heading towards a surplus of doctors. In fact, we may have reached or surpassed that point already in some specialties. Governments themselves have become concerned about the rate of growth in the number of doctors and measures have been taken to restrict immigration. There are still several problems concerning the distribution of physicians and specialists across Canada. Still, medicare did contribute to improve the distribution of physicians by making it possible to practice in locations where there were enough people but where residents were too poor to support a physician.

● (1540)

[*English*]

Despite the high quality of health services available to most Canadians through our two major national health insurance programs, we have not yet resolved the problem of the rising costs of health services and of these programs in particular, which consume such a large part of the health care dollar.

While total health expenditures in Canada declined as a percentage of our GNP from 7.3 per cent in 1971 to 6.9 per cent in 1973, during the last fiscal year hospital costs rose by 25 per cent over the level of the preceding year. It is expected that a further increase of almost 20 per cent will occur during the current fiscal year, and medicare costs are expected to rise by about 16 per cent over the last fiscal year. Quite obviously we must take such steps as are necessary to prevent these programs becoming more expensive than we can afford, to ensure that Canadians can continue to benefit from them.

This pre-occupation with the escalation of health care costs is not new and goes back at least to late in 1970 when the national medicare program had not yet been implemented in all parts of the country. At that time both levels of government were concerned about the escalation of the costs of health insurance, that is, the escalation of the combined cost of hospital insurance and medicare. The federal government therefore proposed to the provinces that it explore with them alternative cost-sharing arrangements. These arrangements would be aimed at the development of lower cost alternatives to the high cost services insured under the national health insurance programs.

The essence of this proposal was to make more flexible the ground rules for federal cost-sharing in provincial health insurance plans and to cap the open-endedness of the program. Under this proposal the national standards of insured services would be retained, while making it possible for the provinces to spend federal funds on alternative lower cost services.

After nearly two and one-half years of discussion and negotiation, a federal offer on health financing was placed before the provincial governments at the federal-provincial conference of finance and health ministers in May, 1973. However, in September, 1974, the provinces formally rejected the proposal. They indicated that they would prefer arrangements that would increase federal financial participation in alternative lower cost services in return for a provincial commitment to restrain the growth of high-cost services presently supported by both levels of government. Accordingly, at the federal-provincial conference of health ministers held on January 14-15, 1975, I indicated my willingness to explore the possibility suggested by the provinces for a broader interpretation of existing federal health insurance legislation to permit additional cost-sharing. The ministers directed their officials to investigate the proposal at the official level and submit their recommendations by the fall of 1975. Subsequently, in his budget speech of June 23, 1975, the former minister of finance made it clear that the commitment of the federal government to share the costs of encouraging the development of less expensive health care services still stands.

When the former minister of finance brought down the budget on June 23, 1975, he emphasized the serious economic conditions facing our country, and announced a number of measures which the government believed were necessary to strengthen the Canadian economy. Two of these measures affect our national health insurance programs. One involved the giving of notice under the Hospital Insurance and Diagnostic Services Act of the federal government's intention to terminate the existing agreements with effect from July 15, 1980.

While the current negotiations approved by the conference of ministers of health in January, 1975, were intented to foster improvements in the short run, there was nonetheless a general understanding amongst the ministers that the proposed broad interpretation of the federal legislation would not enable us to accommodate all of the lower cost alternatives that might be suggested by the provinces, and that another examination of the need to change the federal legislation would likely be required. In the light of this, the notice to terminate the existing agree-

ments under the Hospital Insurance and Diagnostic Services Act was a logical step.

The other budgetary measure was the establishment of ceilings on the rate of growth of the federal per capital medicare contributions to the provinces. The necessary amendments to the Medical Care Act were then submitted in Bill C-68, which received first reading on July 8, 1975.

The ceilings would have permitted the per capital contributions to the provinces to grow by 13 per cent in 1976-77; 10.5 per cent in 1977-78; and 8.5 per cent in each year thereafter. The proposed ceilings would still have permitted increase in the federal contributions to the provinces of approximately 14.5 per cent in 1967-77; 12 per cent in 1977-78; and 10 per cent in each subsequent year, when allowance is made for the estimated population growth rate of 1.5 per cent per year. The purpose of these ceilings was to provide for more effective cost control. The federal government's view was that the ceilings were realistic. Not only were they in excess of the average increase in recent years, but also the rate of growth of the doctor supply, which had been the major factor causing the rise in medical care costs, was expected to decline.

The provincial governments and the Canadian and provincial medical associations nonetheless objected, some of them strongly, to the ceilings. The provincial views were highlighted at the special meeting of provincial health ministers in Victoria last summer. As a result of these reactions, I personally met with representatives from the Canadian Medical Association, and subsequently made a cross-Canada tour to meet with all the provincial health ministers. In these meetings we discussed the implications of the proposed ceilings and the need for them in the current economic context. We also reviewed the progress which had been made since January, 1975, in the negotiations on new lower cost alternatives. There was general agreement on the need to rationalize the present system. This rationalization would include the extension of insurance coverage to new lower cost services and also tighter control over the number of beds, physicians, immigration of physicians, and hence global expenditures. During these meetings the federal and provincial governments came to understand and appreciate the other's position.

It is in light of these useful consultations that I intend to propose in committee three modifications to Bill C-68. The first is to remove from the bill any reference to a specific ceilling for the years after 1977-78. Thus the bill would establish ceilings for only two years, 1976-77 and 1977-78, rather than indefinitely into the future. The bill would give the federal government authority to set ceilings for subsequent years, in accordance with an appropriate formula to be developed in the meantime, after consulting with the provincial governments. We believe this change will meet a concern, frequently expressed by the provinces and the medical profession, that it was difficult to predict accurately what might be an appropriate ceiling that far in the future.

The second change is a mechanism to ensure that any increases in the federal medicare contributions for new lower cost insured services to rationalize and improve the system would go only to those provinces providing the new services under the medical care program.

[Mr. Lalonde.]

● (1550)

Specifically, the modification to Bill C-68 provides for a separate national per capita for each class of new insured service, if and when such classes are added. The need for this change lies in the fact that, under existing legislation, the medicare contribution to each province is dependent in part on the level of a single national per capita cost figure for all medicare services. Thus, as some provinces established new services and included the costs in the total medicare bill, the single national per capital cost would rise. The other provinces would therefore receive increases in their per capita medicare contributions. This would occur even if these other provinces had not established the new services themselves, or had established them under the Canada Assistance Plan and were thus already collecting federal payments under that plan. Separate national per capitas for each new class of insured service would solve this problem, for they would be used to calculate the federal medicare contribution only for those provinces providing the new services under the Medical Care Act. Thus the provinces providing the new insured services would receive the full federal contribution payable in respect of the services.

The third change is to provide a 36 month exemption from ceilings for new insured services from the date on which they are prescribed as an insured service under the Medical Care Act. The original bill provided for an exemption for only the first year, when costs of such services may not be very high. New low cost programs generally require at least two or three years of growth to build up sufficiently to meet all the needs which would otherwise have to be met by acute treatment facilities. It is only after this stage that their cost growth should be brought in line with the much slower rate appropriate to the more mature, existing services.

It might be suggested that Bill C-68 with the proposed amendments is no longer necessary on the basis that the anti-inflation program is now in operation. I continue to believe, however, that there are definite advantages in introducing ceilings on the allowable rate of increase of costs under the medical care program. The ceilings will provide an incentive to exercise appropriate cost control over medicare costs, for example, by encouraging prudent use by both providers and recipients of services, and by introducing lower cost alternatives to high cost services, wherever feasible.

Certainly in my meetings across Canada I received a clear indication that the provincial governments were committed to rationalizing the health system and controlling costs. They are willing to introduce low cost alternatives on a cost sharing basis and in return commit themselves to reduce the rate of escalation of high cost services. The retention of the ceiling concept will provide the provinces with an additional incentive to meet their suggested targets, for example, in the area of physician supply. It will also provide the federal government with the necessary safety valve vis-à-vis program costs if the provinces fail to meet their commitments. There is no doubt that if new insured services are to be included in the national program, both levels of government will want them to be as effective and efficient as possible.

The principles of Bill C-68, and of the amendments, that it will propose in committee are therefore consistent with the objectives of the anti-inflation program. However, it is believed that the more flexible approach taken towards the ceiling levels in the years after 1977-78 will be more acceptable to all concerned, because these ceilings can be established later in the light of more current information about the rate of inflation and other factors.

[*Translation*]

There are several ways of controlling health costs, which are currently being explored. One is to make the health care system more efficient, and this we intend to do in co-operation with the provinces. Another measure, the necessity for which emerged clearly in the working document "A New Perspective on the Health of Canadians", is to strengthen preventive efforts and to encourage people to assume more responsibility for maintaining and improving their own health.

Greater emphasis will be placed on reducing health hazards in the environment and on increasing health awareness among the Canadian population. Individuals, particularly those in high risk groups, will be encouraged to exercise, to smoke and drink less, to eat more wisely, and to pay more attention to accident prevention. The pay-off in improved health and well-being and the savings in health care costs could be tremendous. We have initiated a broad health awareness campaign to urge people to take more responsibility for their personal lifestyles and for their environment. Furthermore, air and water pollution, and environmental contaminants, can affect us all and the government intends to intensify efforts for their control.

Some provincial spokesmen—and indeed some hon. members opposite—have expressed alarm over the federal government's decision that costs in the health field must be contained. To help put their fears to rest, I would like to demonstrate one way whereby we could save hundreds of millions of dollars if the provincial governments, under whose responsibility this matter lies, could decide to act in a determined fashion. I am referring to the case of traffic accidents which, after heart disease, is the second most important cause of early death. In 1971, such accidents cost us 250,000 years of potential life. Human factors are blamed for 80 per cent of traffic deaths, including driving while impaired, speeding, carelessness and failure to use seat belts. This is not to mention the number of injuries on the road which totalled 223,777 in 1973 and the tremendous costs of related medical and hospital care.

The costs of traffic accidents in Canada reach well over $2 billion a year including costs of hospital care and treatment for accident victims who require over 2 million days of hospitalization. Hospitalization is estimated to cost the country at least $200 million a year and medical care costs amount to approximately another $100 million. The price tag is increased by legal expenses, public liability, property damage, loss of time from work and the costs of permanent disability.

Australia has implemented seat belt legislation over the past three years and, in the first full year of enforcement had a reduction of 25 per cent in fatal motor vehicle accidents. Similarly, France reported recently that its new compulsory seat belt legislation saved 1,200 lives in 1974.

The Nova Scotia Legislature in December 1974 approved such new safety measures which set an excellent precedent in Canada, although this legislation has yet to be proclaimed. It would be a great step forward in health promotion if Nova Scotia's lead in this matter were brought to a speedy and successful conclusion.

Another step in the right direction was taken when the Legislative Assembly in Ontario recently passed a provincial government bill which has made the use of seat belts mandatory since January 1 of this year. It is expected this move will mean a substantial saving in injuries, lives and health costs. A further encouraging development was the recent announcement by the Minister of Transport of Quebec that the provincial government intended to introduce legislation which would make the use of seat belts mandatory by next summer. This would be accompanied by selective reductions in speed limits on certain roads which are considered particularly dangerous. Other measures include a program of mechanical inspection of motor vehicles, tire inspection, new methods of police surveillance of roads, and review of the system of demerit points for impaired driving. I hope that the other provinces will soon follow the initiatives of Ontario, Quebec and Nova Scotia.

The federal and provincial governments agreed in 1974, to undertake a five-year program aimed at reducing the fatal motor vehicle accident rate by 15 per cent. The federal government, through the Ministry of Transport, and several provinces are co-operating in a three-month public education program this winter to encourage the use of seat belts as a coast to coast lifesaving habit.

Industrial safety in Canada is sadly inadequate. In 1974, 1,415 workers were killed on the job. The average for each of the past 10 years has been 1,076. One out of 20 workers had a disabling injury in 1974—a total of over 473,000 injuries. Think what these figures mean in terms of lost production, in human suffering, in social allowances, in medical and hospital care. Industrial accidents were recently estimated to cost the United States $32.4 billion annually. Canadian losses are doubtless as high in relation to our smaller population—perhaps in the neighbourhood of $3 billion a year. Can we really afford it?

Industry could do a great deal more to reduce deaths, injuries and the health costs related to industrial accidents. An interesting new program is being provided by St. John Ambulance with the most appropriate name of LIFE—Learn Industrial First Aid Effectively. It employs a multimedia course at no cost to the employee and all training is on an in-plant basis. Studies have shown that employees not trained in first-aid had an accident rate double that of their trained counterparts of the same age, sex, job and company. First-aid training in industry has another advantage: a worker can use that skill at home. A recent study shows that off-the-job injuries resulting in one or more days' absence from work, occur six times more frequently than on-the-job injuries; and fatalities are 10 times higher. This study included automobile accident. Under the LIFE program, training costs are tax deductible, a fact that many people do not realize, and I would strongly urge industry to implement first aid training programs to improve our industrial safety record.

● (1600)

Another major measure to reduce costs is to make the health care delivery system more efficient. For example, a number of lower cost alternative methods of providing health care offer the potential to produce substantial savings.

In January, 1975 as I have already mentioned, I made a special offer to the provinces in relation to sharing in lower cost alternatives but negotiations were suspended after the announcements in the June budget. I am pleased to report that the provinces are now ready to resume our negotiations and, of course, I am delighted with this development. I expect that there will be meetings of deputy ministers and of ministers of health in the near future to continue our negotiations. The federal government remains willing to extend sharing to some of the lower cost alternatives in exchange for a provincial commitment that high cost services will be controlled and de-emphasized. The lower cost alternatives being considered include less expensive types of institutional care, services provided in the home and various types of ambulatory care centres. Diversifying our methods of care can reduce the dependence on high-cost services.

The intention of the federal government is to work with the provincial governments and the health professionals to maintain and improve the system of health care so carefully built up in Canada over the past twenty years, and to ensure its continued viability by keeping the costs within the limits this country can afford. This is an objective worthy of the support of all Canadians, individuals and governments. Each one of us can contribute to the health of this country through our individual efforts to prevent illness and accidents and our prudent use of health care services. Governments must, with imagination and courage, respond to the challenge of finding ways of operating the system more efficiently.

To sum up, there is under the federal proposals, every reason why it will be possible to keep on improving the quality of the Canadian health care system. Some have stated that the proposed restraints will destroy the national health insurance programs. That, of course, is ridiculous, that is demagoguery. We are imposing realistic ceilings on the allowable rate of increase for medical care cost sharing. In addition we have given five-years notice of our intention to terminate and replace, I repeat replace, existing agreements under the hospital insurance plan. The federal government has made clear its willingness to provide more flexibility and more dollars rather than less to help improve the efficiency and effectiveness of our health care system.

Finally, Mr. Speaker, let me emphasize that the government is committed to a general, fundamental review of health financing arrangements. The amendments to Bill C-68 will facilitate the general review and will make it possible to proceed more rapidly with the rationalization of the system by the introduction of lower cost services, as the review progresses.

Mr. Speaker, I therefore move second reading of Bill C-68, subject to the amendments I have described.

[Mr. Lalonde.]

[*English*]

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, the minister has just concluded what I thought was a rather long and boring speech, so I hope the House will forgive me if I am charged with the same thing. The minister talked for a long time about many things related directly or indirectly to the health field, including references to his "new perspectives" book, health standards in this country being great compared with other countries and a number of other things. However, I am afraid in his discussion he failed to make a good case in support of the bill now before the House.

I think it is fair to say that most of us in this House who are taxpayers, or who are here representing taxpayers, will agree that government should take some kind of action to keep health costs down to a satisfactory level. But when government at the federal level is dealing with the provinces and discussing legal and binding federal-provincial agreements, any changes in those agreements should be made through the process of negotiation with the provinces. When there are these kinds of agreements, bilateral negotiations should be the order of the day. Instead we have had what amounts to a unilateral, arbitrary withdrawal from a commitment made to the provinces, which was against the will of the provinces in the first place.

When we are examining health costs, we should examine carefully where the costs have been increasing most rapidly. When we do that, we find that it certainly has not been in the area of medical care. Increasing costs, rather, have been very much on the institutional side of health costs. This bill does not come even slightly to grips with that matter.

The minister made a reference to "Perspectives on Health", a book which he brought forward in this House a year or so ago, which suggested that health costs can be reduced by changing people's life styles, by encouraging people to do fewer of the things which are destructive to their health, and I do not think anyone will argue about that. If people follow that advice, in the long-term the cost of health services will fall. Yet, paradoxically, the minister's statement runs contrary to what he has been doing these past few weeks. I am referring to the freeze of the Medical Council research budget, now frozen at last year's level. Considering that the cost of medical research went up 18 per cent this past year, freezing the budget at last year's level is the same as effectively reducing it by 18 per cent.

● (1610)

Figures put forward by experts in the field indicate that every dollar spent on medical research today brings a saving of $20 in health costs ten years down the road. Although the minister talks of reducing costs down the road, he is doing something which will increase costs substantially in ten years. He is reducing the medical research budget, and has never presented any logical explanation for doing so.

The present Liberal government which, unfortunately, is governing this country, has a long history of confronting various groups, whether they be provinces, professional groups, labour unions, business or private citizens. This bill represents once again a provocative confrontation with

provinces and with professional groups involved in providing medical service to Canadians. The government's present attitude in this regard is shameful. This bill represents unilateral action on the part of the federal government. It is arbitrary and has been brought forward without meaningful consultation with the provinces. Indeed, it indicates a lack of concern for the opinions of provinces in matters concerning federal-provincial agreements.

The bill proposes to limit the federal government's participation in medicare to 13 per cent next year, 10.5 per cent the following year, and 8 per cent in subsequent years. The minister said he will propose amendments in committee. Since he has not provided me with a written copy of any amendment I must rely on what I heard him say today. Today he said there will be negotiations. Perhaps that is the wrong word. There will be consultations with the provinces; but the federal government still has authority to set the ceilings.

The minister may give the appearance of backing down a little on the matter of ceilings, but I submit that he is not backing down at all. He is simply trying to take the heat off himself by saying that the government will consult with the provinces. Yet the government, as I say, still wants authority to set ceilings. Provinces will need to examine carefully the meaning of "consultation". Provinces must be careful when dealing with the federal government, as we know what it means by consultation. When the government speaks of consultation, one must not confuse such consultation with meaningful negotiation. In the past, consultation has often been a process whereby the provinces or others were simply notified of the government's decision. Therefore I am not relieved to hear what the minister has to say with regard to proposed amendments because I believe that essentially this process will not change anything in the bill. I think he will continue on his merry way, as he originally planned.

Before exposing many other inadequacies of the bill, it would be useful to review the reaction of the provinces to the bill, which was introduced shortly after the June 23, 1975, budget. I have before me copies of communications sent by the provincial health ministers. Their reactions to the minister's proposal range from bewilderment to indignation.

Clearly the provinces were unanimous in disapproving of the government's action. For example, after the budget speech was delivered in this House in June, 1975, the Ontario minister immediately called for a health ministers' conference. The conference was held in Victoria on August 18 and 19, 1975. At the conclusion of the meeting provincial opposition to this bill was virtually unanimous. The major objection expressed was that the bill represented unilateral federal government action, and that it was arbitrary. The health ministers at that time agreed to demand a meeting with the federal Minister of National Health and Welfare (Mr. Lalonde) in the hope of finding common ground on this matter as between the federal and provincial governments. They hoped the federal government might be persuaded to be more flexible.

Meeting later, the provincial premiers declared that, because of Bill C-68 and the federal government's intention to terminate the existing hospital insurance in five years, the issue of cost-sharing had become their first priority in federal-provincial negotiations and discussions.

In a telegram sent to the federal Minister of National Health and Welfare, the Manitoba minister of health said:

> Your government's decision to proceed with major changes on a unilateral basis is a serious disappointment to our province and, I assume, to most others . . . Not only does the decision represent an apparent breach of our earlier understanding (in January) but also, and more importantly, it suggests that your government has every intention of implementing legislative changes which will cause the primary financial responsibility for the future reform of health care and for the maintenance of existing service standards to be borne by the provincial governments and their taxpayers . . . It is obvious that such a decision would represent a significant threat to our national health standards—standards based on a system which the federal government itself initiated.

The Quebec minister of social affairs in his telegram to the federal minister of June 25, 1975, said:

> First of all, I deplore the unilateral ceiling put on medical insurance by the federal government without warning . . . One must make the distinction between an economic measure favouring the Quebec taxpayer and an economic measure destined to benefit nothing but the federal treasury—the statement by (your) government belongs to this second category.

At the Victoria conference, on August 18, 1975, the Prince Edward Island minister of health said:

> The implementation of Bill C-68 would have a very serious effect on the level of health care services in P.E.I. . . . Our resources are severely strained to meet the rising cost with federal contributions under the present arrangement.

The Nova Scotia minister of public health said this to the Victoria conference:

> I share a good deal of the concern of my colleagues from other provinces on the announcements made by the Honourable John Turner . . .

That same minister, in a letter to myself, dated July 18, said:

> In summary, we regret that the government used the budget speech to advise the provinces of the limitations . . .

I submit that when the minister speaks about consultation with regard to the amendments he is proposing, we can assume that he will announce either in this House or perhaps in the press what the new limits are to be after two years.

An hon. Member: Perhaps he will do it in his election campaign.

Mr. Yewchuk: Or perhaps he will do it in an election campaign.

The Ontario minister of health put the matter in these terms:

> . . . if I have ever seen any example of unilateral decision-making without consultation with the provinces, that is it. We have been negotiating patiently for four years with the federal government to get a means of sharing health care costs that would allow the provinces to use their own discretion and to set their own priorities, instead of sharing on only those most costly services, the hospital and the physician. In the face of that, without any further consultation, they unilaterally set guidelines. They started the plan; it has got out of control. They have unilaterally limited the amount they will put into it. I don't know how we'll live within it.

The comments I have read are a fair sample of provincial thinking. I will not read all the communications in front of me, because I know others want time to speak. I also have

responses from the medical people affected by this measure, particularly the Canadian Medical Association.

● (1620)

Before I go into that, let me just touch a little on the idea that this move by the federal government is in some way going to encourage the provinces to take greater care to reduce health costs. That concept or idea put forward by the minister is nothing less than ridiculous. The fact is that the provinces are now carrying half the cost load of medicare costs. Indeed, if these costs, rising as they are, are a great motivation to the federal government to try to keep them down, I cannot see how the minister can be justified in saying that there is no motivation for the provinces to keep the costs down. The motivation is the same. The provinces must get the money from the taxpayer and foot the bill as well.

We cannot accept as legitimate the minister's claim that this kind of cap, as he called it, will provide greater motivation to the provinces. I feel they are already sufficiently motivated in view of the fact they are now paying half the cost.

The Canadian Medical Association dealt even more harshly with this bill. I suppose that is because they are very directly affected by the outcome of it. On July 10, 1975, the Canadian Medical Association declared, and I quote:

> The budget controls will produce definite health hazards for Canada's health care delivery system. The government of Canada's budget controls will have the effect of restricting the availability of health care . . . in effect, rationing needed medical care, unless additional funds are provided by the provinces or the public. This action could endanger the quality of medical services available to Canadians.

The Canadian Medical Association also pointed out the arbitrariness of the percentages in this bill. The minister says that the percentages which were set are higher than the increases have been in the past few years. Perhaps this is true. However, I think it is worth pointing out at this time that over the past few years the medical associations were asked to exercise voluntary restraint in the interest of keeping down these costs. They have indeed been doing that.

The increases per capita of medical care costs in Canada from 1971 to 1972 averaged 6.9 per cent. That was the increase in medical costs, 6.9 per cent. At the same time the average increase per capita of the gross national product at market price was 12.8 per cent. Furthermore, the consumer price index for the same period rose at 7.9 per cent annually, and the average weekly wages and salaries in the industrial sector rose in the area of 8.5 per cent annually. This clearly shows that the increases in the per capita medicare costs have been lower than in any of the other areas I have mentioned.

I think we can fairly say that reasonable restraint has been practised by the medical profession in this area. Since no one else has been showing significant restraint, perhaps they feel the time has come that they should do some catching up. However, this is where the minister takes out his sledgehammer and uses it on the heads of the medical profession in order to prevent any notion of catching up which they feel justified about doing. The Research Director of the Canadian Medical Association, Dr. J. Brandejs, on August 15, 1975, pointed out that while the budgetary ceilings may be realistic, they are arbitrary. Grounds existed, he said, for concern centring on both the immutability of the guidelines and the low social value they seem to put on Canadian physicians.

From the point of view of regional interests, they voice great concern over their inability to improve local standards of health care. They maintain that the ceilings will forestall future developments which certain provinces have been planning at this time, particularly in areas where low economic conditions exist.

When this measure was first introduced in the budget last June, the national press was not very quick to appreciate the significance of this aspect of it. They concentrated more on the gasoline tax and the over-all inadequacy of that document. But as a result of the health ministers' conference in Victoria the media began to realize just how serious an impact this legislation will have on co-operative federalism and the health care delivery system. As an example of the kind of statements made by editors on this subject I quote from the August 13, 1975, edition of *The Commonwealth*:

> The health ministers' conference must expose the spending ceilings for the Alice-in-Wonderland unreality they represent. How does the number 13 per cent relate to economic and health conditions for the year 1976-77, for example? Who knows? Who can tell? The minister knows, but the minister is not talking.

This again points out the arbitrariness of these programs. The August 19, 1975, edition of the *London Free Press* contained the following, and I quote:

> Unilateral actions like this are damaging to federalism and should be avoided . . . Provincial governments are justifiably annoyed that they were not consulted prior to Mr. Turner's decision.

One might have added this was particularly the case because it was the federal government which had imposed this program on the provinces in the first place. That is the saddest part of all. This program was shoved down the throats of the provinces in spite of their screams of agony and despair. They did not want it, yet it was done. The federal government is now taking the first step in opting out of this program. I am sure this is only the first step. It will not stop with this bill. If the government does intend to stop, I would like it to say so in this House.

What are the implications of Bill C-68? I have already touched on a lot of them. Historically, as the leader of my party pointed out, Bill C-68 is just one more case of the Liberal government going before the provinces, making a deal, and then a few weeks later or a few months later taking some action unilaterally which amounts to a doublecross.

At the federal-provincial conference of July 1965 the then Prime Minister, Mr. Pearson, announced a federal government resolution to provide financial support for provincially administered medicare plans. He asserted his government's intention to share 50 per cent of the cost of medical services if the provinces were able to meet his four basic principles of eligibility: comprehensive, universality, public administration, and portability.

It was not until the fiscal year 1970 that all the provinces were brought under the medical care umbrella. In the meantime a great deal of pressure was brought to bear against the federal proposal by provincial governments

and medical and professional associations. While the then minister of national health and welfare, currently the Secretary of State for External Affairs (Mr. MacEachen), confidently estimated that the net cost of the scheme to the two levels of government would be $80 million, Ontario Treasurer Charles S. Macnaughton, speaking to the federal-provincial meeting of finance ministers in November, 1968, said,—it turned out to be a prophecy—and I quote:

> What guarantee have we that in a few years from now, the federal government will not dump the full responsibility for this program on the provinces, and close off or limit its contributions after it has obliged the provinces to embark on its slippery slope?

● (1630)

That has proven to be exactly what is happening. I hope that if the minister has any conscience at all he feels very guilty about this state of affairs created by his party.

In those early years of the medicare concept, opposition to the federal government's proposal came from two camps and centred on two quite different principles. The provinces contended that the Medical Care Act represented federal encroachment upon an area of exclusively provincial jurisdiction; that provincial priorities were being distorted by the availability of federal dollars; that the program was untimely and uncalled for, given existing health care systems and other considerations, and that under the scheme the provinces had very little control over administrative costs, procedures, or priorities. On the other hand, the Canadian Medical Association strenuously questioned the principle of government interference with a professional body. As it turned out, both groups knew what they were talking about.

In the mid-sixties, no fewer than seven task force committees were established to study the escalating cost of health care. Appearing on the second page of their summary report is the flat statement that there were many examples of cases where economies could be achieved without in any way diminishing the quality of health care. The report itemized three pages of examples which it characterized as "just a few". It concluded with the noteworthy sum of 337 recommendations. When this report was published, a federal-provincial committee was established to scrutinize the financial operation of the Canadian health care system. This committee was entrusted with an ongoing consultative role in an attempt to revamp the financial end of the system.

More recently still, the Department of National Health and Welfare published a document entitled "A New Perspective on the Health of Canadians". In this document the minister and his staff introduce a new typology to cover the health field concept: human biology, environment, life style, and health care. They described this new approach as "a unified whole which permits everyone to see the importance of all factors".

My purpose in making this brief rundown of studies and statements on health care reform is to contrast them explicitly with the content and, what is more, the intent of Bill C-68. The government had more than 300 recommendations at its disposal yet it chose to ignore all of them, opting instead, for budgetary ceilings. Mr. Speaker, the real reason for the introduction of the "health field concept" by the Department of National Health and Welfare was to advance the premise that improvements in life style and environment are as conducive to good health as is medicine. Yet the government has not applied this powerful notion even marginally to the question in hand.

The third major finding of the 1969 task force report acknowledged that effective and efficient health care delivery demands co-ordinated government planning. Yet the government now unilaterally imposes budgetary ceilings thereby threatening the continued vitality of the federal-provincial consultative process. In short, however much as we might criticize the content of Bill C-68, the most distasteful part of the whole business is the fact that legislation of this sort was introduced at all.

Some hon. Members: Hear, hear!

Mr. Yewchuk: Consider also the arbitrariness of this bill. If it is passed the ceilings specified within its clauses will become statutory. Although one of the basic principles of responsible government is that parliament cannot bind its successors, political realists take it for granted that reversal of procedures previously undertaken is a long and arduous process. Since health care ceilings will for all practical purposes be unalterable, the question must be raised: what if they are simply too low? What if the desired standards of health care just cannot be maintained within the restrictions of the bill? The figures seem to have been pulled out of a hat; they are unaccompanied by any explanation as to how they were derived.

In other words, by putting these ceilings into the bill the government will ensure that, as long as inflation continues and medical costs continue to increase at an accelerated rate, the taxpayer will inevitably suffer either in terms of increased provincial taxes or in terms of reduced health services. In brief, the ceilings are wrong because (1) there is no immediate reason to believe they are appropriate, and (2) there is no flexibility to them despite the lengthy time span in which it is contemplated they will be enforced.

Another way of expressing this difficulty is to say that the gross federal expenditures on health care for all ensuring years in an inflationary era will depend solely on growth expenditures for 1975-76. That is, since ceilings are calculated as a percentage increase in expenditures from year to year, and since the percentage increase for any given year will be dependent on the absolute expenditure of the previous year, gross expenditures for 1975-76 become all important. And since expenditures for 1975-76 are a quantity which is still not completely known, the government can as yet have no idea what impact the budgetary ceilings will have in the long run.

However, extrapolating from national medical care expenditures in 1974-75,—expenditures which amounted to $1.37 billion—we can calculate the consequences if outlays should increase marginally, as projected, or markedly. We know that if final medical care expenditures in 1975 were to increase by a marginal 3 per cent to $1.41 billion they could rise to no more than $2.54 billion by 1980. Were expenditures to increase by a quite conceivable 15 per cent in 1975—the minister said 16 per cent—they could, on the other hand, stand at $2.86 billion by 1980, a third of a billion dollars more. It is worth nothing that the increase projected by the government, at 6.5 per cent, can itself be described as a marginal one.

Confronted with a situation such that a difference in expenditures of $.17 billion in 1975 could result in a difference of $.32 billion in capital outlay in 1980, the provinces would be foolish not to attempt to hand the federal government the largest medical care bill possible in the base year. Instead of lowering health care costs, Bill C-68 will actually raise them.

To sum up, it is quite impossible to forecast accurately what is going to happen to medical care in Canada in the light of the changes suggested in Bill C-68. Because the long term shape of health care services in Canada is dependent on so many usually conflicting variables, and facts are not easily quantified, it is nothing but frivolous to seek to predict the future of this field in blind confidence. Nevertheless that is exactly what the government has done in introducing Bill C-68.

Spokesmen for the government will no doubt argue that the imposition of ceilings on federal contributions will not impose undue strain on provincial coffers and will not result in any significant reduction in health services. Let us suppose for the sake of argument that all goes according to plan—that the guidelines encourage provincial restraint and constitute a positive input into the plan's budget forecasting. Because doctors' fees make up a large part of medicare's budget this state of affairs will come about only if the cost of doctors' services does not rise above the budgetary ceilings. But if the cost of those services does rise above the ceilings the government is in fact imposing wage controls on a single identifiable professional group. I know this has altered somewhat with the anti-inflation program. which has placed some limits on all professional incomes, but when the anti-inflation program was introduced the bill was to be in effect for three years. That is a temporary measure, but Bill C-68 is not temporary, it is permanent.

● (1640)

It still remains to be seen whether indeed the anti-inflation program will be temporary; if we listen to the remarks of the Prime Minister (Mr. Trudeau) which he made a while ago we might conclude that the program will not be temporary at all. The fact is that Bill C-68 places permanent wage controls on the incomes of professional groups that provide medical services to the people of Canada, which seems to me to be rather discriminatory against one specific professional group.

Few would disagree with the view that the federal government, because it is responsible for the over-all scrutiny of the economy, must have the power to control its own budget. To a certain extent it is true that the open-endedness of the financial aspect of medicare is such that the central government cannot monitor its expenditures on a year to year basis. However, the statistics of the matter offer some rather valuable insights into the urgency of these arguments.

The former finance minister, the hon. member for Ottawa-Carleton (Mr. Turner), maintained that health care costs have risen almost 20 per cent over the last fiscal year. The hon. member was correct in his figure of 20 per cent no doubt, but what he neglected to mention was that the great bulk of this increase was the direct result of escalating expenditures, not in medical but in hospital care. In fact the figures demonstrate quite clearly that in the last two years for which statistics are complete, 1972-73 and 1973-74, the increase in medical costs has been only 9.2 and 7.2 per cent respectively. In 1971 the figure was 6.9 per cent per year, as I have already mentioned. Furthermore, the figures show very plainly that since the time when the medical care system matured, the costs to the federal government have not been increasing at a rate greater than national income.

So why did the central government arbitrarily decide to establish spending ceilings on a program which has not demonstrated the run-away cost increases of other federally sponsored projects? The answer probably lies in the fact that between 70 and 80 per cent of the total cost of medical care consists of salaries and wages. During a period of inflation and rapid wage escalation such as we have been experiencing, a 20 per cent increase in wages would result in a 14 to 16 per cent increase in total budgetary outlay. By imposing these ceilings the federal government hoped to ensure that it would not have to pay medical costs which are a direct result of its inability to control inflation.

More disturbing than federal deviousness are the prospects for increased taxes and decreased services. Granted that expenditures may appear to be under control, there are signs that a rapid upturn in the capital outlay required to maintain health standards is imminent. For example, Ontario physicians received and increase of only 4 per cent in their fee schedule in 1974 and recently were asking for 20 per cent in 1975. In addition, many provinces maintain that they need a catching up period in order to raise their regional standards to national levels. Either event occurring could cause a marked increase in medical care expenditures, and under the stimulus of Bill C-68 both are likely to occur at least in 1975-76 before the limits go into effect.

So while the federal government has introduced these ceilings avowedly in order to encourage economies in medical care, the bill does not even ensure economies. Nothing in the act actually stops the provinces from improving their health care services, and nothing actually stops physicians, after the expiry of the Anti-Inflation Act, from demanding heftier salaries. All the bill does ensure is that, if either of these events should occur, it is the provinces which will have to pick up the additional costs, either in the form of increased premium rates or in depleted provincial revenues, perhaps at the sacrifice of other provincial programs. Thus the analogy to be drawn is not one of the government slapping the hand that reaches into the taxpayer's pocket, but another, that if there is a need to pay for increased medical costs it is the provinces or the doctors who must do the reaching.

Should costs rise above and beyond the cost-sharing limitations, any one of the following three situations may develop: first, provincial revenues will be drained and other programs or priorities will have to be deflected in order to meet the increased costs; second, where applicable, as in British Columbia, Alberta, Ontario and the Yukon, premiums will have to be increased in order to offset greater provincial medical expenditures; or third, if the provinces cannot meet the budgetary restraints, medical services will have to be reduced.

In other words, if medical costs increase at a greater rate than that allowed by the 1975 budgetary ceilings, then the

provinces will be forced to seek those very solutions that the current Minister of Labour (Mr. Munro), the then minister of health and welfare, foresaw as undesirable in his introduction to the task force report of 1969.

Equally bad are the implications for co-operative federalism. In Canada there is no constitutional mechanism or provision for the practice of cost sharing. Likewise, the federal government has no constitutional grounds for entering the health field. Both are the result of convention and the ongoing evolution of Canadian federalism. The practice of cost sharing has ensured the maintenance of national standards, while the very principle of co-operative federalism is undoubtedly one of the most distinguishing features of our nation. But the government's five year notice of its withdrawal from the present hospital insurance plan and the imposition of ceilings on contributions to medical insurance threaten both of these principles and practices.

Although it is impossible to gauge precisely the impact of Bill C-68 on our system of federalism, indications of the drift of events are already evident. The unilateral nature of this measure has outraged the provinces. Their immediate reaction was to call for the instant cessation of all cost sharing consultation with the federal government.

If the government's ploy in introducing this legislation was to "bring the provinces back to the bargaining table", as those same provinces have since suggested was the case, it is now clear that this ploy was completely misconceived. Ontario has demanded a 17 point tax transfer from the federal government in exchange for opting out of medicare. The former minister of finance, the hon. member for Ottawa-Carleton, flatly rejected this offer, but should Ontario continue to press and eventually succeed in opting out, it would mean that the principle and practice of a national system of prepaid medical insurance would be completely thwarted. Furthermore, such an event occurring could set a disastrous precedent in the field of federal equalization.

Finally, if increased costs do occur it would be the have-not provinces which would be the first to be obliged to reduce their medical care services. In areas where the physician-to-population ratio is already low, this reduction would coincide with a marked downturn in the level of health care and would exacerbate regional disparities which we all want to try to correct.

In conclusion, Madam Speaker, if the minister has been listening to what I have been saying—

An hon. Member: He has not.

Mr. Yewchuk: I doubt that he has, because he has been chatting away to the member sitting behind him for most of the time, which I think is very bad. I listened carefully to his remarks when he spoke.

Mr. Lalonde: There is no problem; I can listen to both of you.

Mr. Yewchuk: It seems the minister has many talents—he can talk and listen at the same time. However, had he been listening I am sure he would have realized that this bill is indeed ill-conceived and should be withdrawn. If he is serious about co-operative federalism he should sit down at the negotiating table with the provinces and try to resolve this difficulty in a friendly, positive and bilateral way.

● (1650)

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, I should like to say regretfully at the outset that the Minister of National Health and Welfare (Mr. Lalonde) was not listening to the remarks of the hon. member for Athabasca (Mr. Yewchuk), and that is unfortunate because that hon. member has made one of the finest speeches on the subject of medicare I have heard anywhere, here in the House of Commons or outside.

Some hon. Members: Hear, hear!

Mr. Broadbent: His speech was an extremely thoughtful and competent approach to this very serious problem, and I repeat that I thought it most particularly unfortunate that a minister, who again trotted out a speech before the House that he had delivered prior to last June, had not apparently been listening. That hon. minister's speech was full of rather banal suggestions about what the provinces should be doing to curb accidents on the highway. He went on at great length in that way, making a speech he had presented to the House before, yet he sat there without listening when the official spokesman for the opposition delivered his thoughtful and serious approach to this subject.

Some hon. Members: Oh, oh!

Mr. Broadbent: Unfortunately the minister paid not one bit of attention while that official spokesman for the opposition did such a fine job.

Mr. Lalonde: You should withdraw that.

Mr. Broadbent: That is unfortunate, Madam Speaker, and it shows something of the attitude of the minister who ignored the official spokesman of the Conservative party just as he has ignored, during the past year, the provincial health ministers of every province.

Mr. Lalonde: Do you want to sit down and allow me to repeat the hon. member's speech? If the hon. member is patient enough I can do it.

Mr. Broadbent: We can all read *Hansard*.

Mr. Lalonde: Not that way. Sit down and I will do it now.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, it is a rare occasion on which I quote a Liberal.

Mr. Lalonde: I rise on a point of order, Madam Speaker. Let me remind the hon. member that he was one of the members who came and disturbed me at my seat when I was trying to listen to the hon. member.

Some hon. Members: Oh, oh!

Mr. Broadbent: Even for the Minister of National Health and Welfare that is reaching. I will tell the House what I asked the minister. I was getting something he said

straight. I did not want to get it wrong. I will tell the House what I asked him. I asked him what his forecast was for the increase in medicare for the next year and he said he did not know. He said he thought it might be such and such. By a strange coincidence he then said he thought the increase in the cost of medicare for the next year might be somewhere between 14 and 15 per cent. By some strange coincidence he said in his own speech that it is expected to be 14.5 per cent. It is a strange fact that his forecast should be midway between what he has indicated—

Mr. Lalonde: I rise on the same point of order, Madam Speaker. The hon. member claims I was not listening to what the other hon. member was saying. I have said I listened, very attentively, and as a matter of fact I find it strange that this hon. member had to come over here to ask me whether I had said something in my speech, because he was having an argument with one of his colleagues about whether I might have said something or not and he wanted to check it. He certainly was not paying very much attention to what I was saying when I was speaking for the government. I think the hon. member had better watch it; he is living in a glass house.

Mr. Broadbent: Again, Madam Speaker, even for the minister he is reaching. Of course I was listening. I went over there to talk to him about a point he had made as I wanted to get it precise. That could hardly be the case if we were not listening. How could we raise a question about what he said had we not been listening? He is not going to get off that easily.

Some hon. Members: Hear, hear!

Mr. Broadbent: The point I am making is that we just heard a first rate speech, and I hope the minister reads it. I simply do not believe that he could repeat it because he was talking during the entire speech. In addition, the same minister for the past year has treated the provincial health ministers of this country of every party in the same way he treats members of this House. This minister said he promised those ministers a year ago that he would meet with them. He said he would get together with them to work out, on a mutually agreeable basis, methods of curbing unnecessary increases in the cost of medicare, and I stress the phrase "unnecessary costs". He did not do any such thing.

The former minister of finance brought in a budget last June arbitrarily setting spending limits on the part of the federal government for the next three years. Not since that time has the Minister of National Health and Welfare sat down with the provincial ministers to work out any mutually agreeable methods of curbing increased medicare costs, and that is particularly important in a federal country like ours, certainly in respect of an essential service like medicare. The whole approach should be one of mutual acceptability rather than arbitrary imposition by the federal government, but the latter is exactly what we have received from this minister.

Let me quote from a member of the other place. I would not normally be inclined to quote such an individual because he also happens to be a Liberal. However, I think Senator David Croll summed up this bill perhaps more succinctly than anyone else when he said, after it was announced:

> It is wrong in concept; it is divisive in practice and in my opinion it is wrong, wrong, wrong, a thousand times wrong—

I think Senator David Croll was right on in that pithy statement of his.

At the beginning of the minister's comments he referred to some amendments he was going to introduce when this bill reaches the committee stage. The only one that has a substantial element to it is the suggestion that the provision now in the bill, which provides a 10 per cent ceiling on federal government contributions to medicare costs for the years 1978 and 1979, is to be removed. The minister rather magnanimously said the government was arbitrarily going to take that part out, and that he is going to negotiate with the provinces.

The minister says he is going to consult with the provinces. He says he is going to consult with the provincial ministers in order to get a new formula, with a solid commitment on the federal level of ceilings. We know how good his promises in this field have been in the past. I am sure that not only the people in this House but in all the provincial legislatures will accept that with skepticism.

The other reason for skepticism in this regard is that the odds are about 20 to 1 we are going to have a federal election in 1978. I think perhaps it is something a little more than coincidence that the government is going to leave these arbitrary ceilings off for the next two years. Then I am sure that during the next election campaign the government will announce in a truly generous way some kind of medicare program of which we will be reasonably sure for at least one year.

Mr. Fairweather: Like their new railway policy.

Mr. Broadbent: Yes, just like the railway policy, as the hon. member says. The political party opposite that governs us displays the most political cynicism in the history of this country. I for one am totally convinced that this is the only reason this kind of an amendment will be introduced at the committee stage.

One might ask why we are opposed. I am not going to repeat a lot of the points that have been so ably made by the Conservative spokesman but I do intend to repeat several, and add a couple of others. First let me point out one thing that I think distinguishes us from the Conservative party. Right from the outset of the government's anti-inflation program members of the NDP have said there are certain aspects of government spending that ought not to be cut. We have said it is irresponsible politics in Canada to suggest that across the board cuts in government spending are desirable.

As the hon. member for Winnipeg North Centre (Mr. Knowles) has said on various occasions in the House of Commons, civilization costs money. One essential aspect of civilization in Canada in 1975 surely is the provision of fully adequate medical and hospital services for Canadians in whatever part of the country they may live. Therefore, we reject this kind of categorical and arbitrary imposition of ceilings on medicare spending—14.5 per cent in the period 1976-77 and 12 per cent in 1977-78. We resent it because although it is not certain it will occur there is at

least a very real possibility that necessary medical spending in those years will exceed those limits.

● (1700)

The New Democratic Party for one says that if it costs money to provide needed medical services we should spend the money and cut back in other less essential areas. That is an overriding concern and an overriding commitment of the New Democratic Party. We believe this country must allocate whatever funds are necessary to achieve and maintain fully adequate health services from one coast to the other.

Second, we believe that medical services, as with services in certain other essential areas, should be provided on a federal-provincial cost-sharing basis. We believe that, because to us it is essential with such programs to ensure that the poorest parts of Canada have health services just as good and at just as high a level as the richest parts of Canada. That is the reason why the federal cost-sharing approach to medical services is absolutely essential.

Beyond these basic points, what else should be said at this time? I shall not do what the minister himself did, which was simply to rehash a speech made a year ago. I wish to deal with two, three or four essential aspects of the cost of medical services and point out for the House, and indirectly for the people of the country, that we believe an approach to spending in medical services will involve some short-run increases in expenditures which, in the long run, will provide a healthier people but also in the long run a reduction in real cost to the economy.

We will suggest some rearrangement of medical spending that could provide real benefits in terms of financial requirements at both the federal and provincial levels. First of all, it is our view that it makes sense to increase medical spending at all levels in Canada in the preventive medical field.

For us it makes neither human nor economic sense to let a man work in conditions where he is confronted, for example, with asbestos fibres which he inhales, and as a result of this contracts cancer which means that then he must go through the cruel and certainly painful and costly surgical operation which results. In such a case at that stage in the man's life we try to deal with cancer when, as an alternative, as a country, we could have been spending more money to establish community clinics in parts of our country where such work is undertaken. In this way we could have developed cures that would be less costly and more humane. We should of course eventually remove the pollution from the air which is the very cause of this kind of cancer.

I repeat that to deal with that kind of a situation now, an increase in expenditures would be involved. We say that, but we think it is a necessary increase in expenditures the long run benefits of which would result in lower medical care costs over-all because it would eliminate costly surgery down the road and would of course produce a healthier working population.

There is, for example, in the minister's own province very imaginative and constructive use of community clinics. I had drawn to my attention not long ago a good example of the result of the opening of community clinics in the minister's province in the town of St. Gabriel de Brandon, southeast of Montreal. A community clinic was set up in this area.

Children who had been swimming in that community had been repeatedly going to doctors because of a kind of skin infection. They had been treated over and over again every three months or so. This had been going on in many sequences of three-month periods. Because this clinic had been set up with authority to carry on investigative work in the medical field it was discovered that because of the condition of the water supply the children had become infected.

Because the clinic had authority to take corrective action the company responsible was obligated to stop polluting the water. In this way the recurrence of the infection was stopped and further costs for medical services were eliminated. The point is a rather obvious but important one. Because of the existence of a community clinic in the town of St. Gabriel de Brandon the long-run cost for medical services was actually reduced because it was possible to get at the source of the medical problem and head it off before it recurred. Surely this is imaginative and positive spending. I repeat that it involves some increases now for real financial and human gains down the road.

Another suggestion we make is that we can get away from spending so much money on general hospitals. There could be a curtailment of the large expenditures we now have in respect of general hospitals which, according to the latest figures I have, involve an expenditure of about $200 a day per bed. The cost probably has increased somewhat since the figures I have were released.

Alternative facilities which would be fully adequate for most of the present hospitalization requirements could be built. These could be operated at a cost of somewhere between $42 and $52 per bed per day. The point once again is that if we were to achieve this it would not mean an over-all cut-back in spending for medical purposes, but in fact would mean an increase for the purpose of building these alternative facilities. The net result, however, not this year or next year but a few years down the road, would be a substantial reduction in the over-all cost of hospitalization.

Once again the obvious point to me, although it apparently is not obvious to the government or necessarily to the people of Canada, is that a cut-back in expenditures now does not mean that there will be necessarily a long-range saving in economic terms to the community. It is just the opposite; if you do not spend on what is needed now, with careful selection of increased spending in certain areas such as alternative hospital facilities, substantial long range savings can be achieved.

● (1710)

Another area of spending which will involve real savings down the road in terms of economic cost and in terms of human lives is in the medical research field. The hon. member for Athabasca very ably documented the case for increasing spending on medical research, not cutting it back as the government is shamelessly doing at this time.

Another illustration of real savings is in the paramedical field. Instead of relying so heavily on the use of general practitioners, a lot of work should be done in all provinces, including those with NDP governments, on extending the

use of paramedical personnel into areas which are currently the exclusive domain of general practitioners, who are both much more costly to train and more costly to maintain in terms of incomes than are paramedical personnel with less training.

Another way of ultimately saving in medical expenses that the government could have taken within federal jurisdiction, either on its own or in co-operation with the provinces, is in the pharmacare area. By moving decisively into pharmacare, into controlling the drug industry in Canada, either by setting up a competitive national company to produce the necessary drugs or by some other indirect means of controlling the prices of drugs, the government could take decisive steps which would result in long range savings in the drug area.

Finally, on the whole general question of savings in medicare costs I want to emphasize the point that has already been made, that by putting arbitrary ceilings on the federal government's contributions, especially for the next two years, no saving can really be achieved in the economy of Canada in terms of medicare costs. All that will be saved is in the federal share of the total cost to the public. The costs will be paid but they will be paid for by the provinces, fully half of which are not in a good position to pay them. That is not a sensible approach to cost saving that the minister is taking.

If the minister really wanted to achieve savings, he should have fulfilled his obligation and worked out with the provinces, on a mutually agreeable basis, definite approaches to very specific programs that could lead to short run and long range cuts in costs. I repeat that the best place where the minister could go to find out what should be done in terms of specifics would be the provinces themselves. As he knows, the Science Council of Canada has pointed out that the province of Saskatchewan, for example, has the best record in the country of controlling costs for medicare services, and not only Saskatchewan but other provinces are just as concerned as the federal government about saving money.

I would remind the minister that this is a cost sharing program. The federal government has no more profound an interest in saving in terms of medicare expenditures than do the provinces, but the provinces which are directly involved in providing the service also know where cuts should be made in order to save.

I remind the minister of his own commitment. If he is really interested in cutting back unnecessary spending, and if he would like to find out where new expenditures could be made that will lead to long range savings in medicare costs, he can go to no better a source in this country than the provincial ministers of health.

I want to say why we as a party are so concerned about this approach. It is because the inevitable result of the passage of this bill, assuming that the costs go beyond the ceilings permitted in the legislation for the federal government to pay its share, will be that the poorer parts of our country will certainly suffer in terms of medicare expenditures. They will suffer in a number of ways; either abhorrent deterrent fees will be increased, or a cut back in medical services will be introduced, or property taxes will be increased, or sales taxes will be increased in those provinces to make up for the money that the federal government should be paying for those programs.

We are so deeply opposed to what the government is doing because one of the few areas of real concern to the people of Canada to which the Prime Minister (Mr. Trudeau) indicated he might be committed in 1968 was regional inequality, to dealing with it, hopefully reducing it and ultimately removing it, but the inevitable result of this program is to increase inequalities between regions in Canada. We say that health service is the wrong field to do that.

A Canadian should be able to take health services for granted. Whether he lives in Vancouver, in a wealthy province such as B.C., or in St. John's in a poor province, he should feel fully confident as a Canadian that he will have equally available to him the best medical services in this country. What this bill does—I do not care what the minister says—is to make that possibility more remote. What it will almost certainly mean is that the poorer provinces will do two things: they will have to cut back on the services that are necessary, and simultaneously they will have to increase taxes paid by their citizens.

We think that that kind of action is totally abhorrent at this point in Canadian history both because health care is an area of service where we should have a uniformly high standard right across Canada and because it increases the general sense and feeling of inequality in our country at a time when a feeling of national unity across our land is so essential to the whole nation.

If there is any way in which we will get a profound sense of unity it will be because of the subjective feelings of Canadians in all parts of the land that there really is equality in terms of their life expectations. Our party thinks on this issue that the Liberal government is clearly moving in the wrong direction and that instead of increasing the sense of equality and the sense of well-being, founded in part on the notion of universal health standards, it is taking us a step backward.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I wish to take a few minutes to answer the Minister of National Health and Welfare.

When I looked at this bill a few minutes ago, I wondered what the minister would say concerning this four-page bill amending the Medical Care Act to limit the annual increase in the per capita cost of insured services granted pursuant to medical care insurance plans. It deals with the limitation of costs for 1976-77 and for 1977-78. I thought that it was only an anti-inflation bill to limit the cost of all health services. But, after its presentation by the minister, I realized that this bill that seemed small had many surprises in store. After the committee stage the subject matter will probably be much more heavy.

Of course, the minister started by giving glory to his party and mentioned all the good things the Liberal party did in the field of social services. But he had to go back to 1958 to realize that the federal-provincial hospitalization plan dated from that time. It is in 1958 that these federal-provincial agreements were made concerning hospitalization services, while we obtained, I think, partial medical care only in 1968. A federal-provincial agreement was then

planned concerning the hospitalization program. Medical care was supposed to be included in that project, but we had to wait 10 years before it was granted to taxpayers.

According to the minister, all hospitalization costs are paid. I agree with him on that point. But at what price? I think that we shall have to study the matter carefully at the committee stage and get some bills from the provinces to know what is the cost of hospitalization in each of them. In the province of Quebec, as I come from that province, a hospital bed costs $90 a day, which, I think is an astronomical figure considering the services given. One may praise our services and when the minister said earlier that we had the best hospital care plan in the world, I think he forgot on purpose to add that our services were not the best in the world.

● (1720)

In my opinion, the present weakness of our hospital care system is that services offered are not consistent with the cost assumed by taxpayers. No matter how much we criticize the services provided in the past, today's services can in no way be compared to those offered 25 years ago, Madam Speaker. We have the worst hospital services ever provided as far as admission is concerned. Nowadays, before being admitted to hospital, you must wait a couple of months. However, we are told that we offer wonderful services to everybody.

An hon. Member: Everybody is sick.

Mr. Gauthier (Roberval): I have known some people who were to undergo serious heart operations and had to wait for three months before being admitted to hospital. And then they come and praise our services! It often happens that people die before being admitted, and in this particular case, the woman did die.

I must say I am quite knowledgeable in this area, since I have been providing an ambulance service for forty years. I know all the hospitals in the province of Quebec, since I go as far as Montreal, Quebec City, Chicoutimi and many other places. Let no one come and tell me that it costs a lot of money. I quite agree, and everyone knows that the cost is high, but the services provided fail to match the cost. Perhaps they will say this is due to inflation. I suggest it is rather due to lack of control, defective administration, rejection of responsibilities, the same as in all other endeavours. With this public ownership system, no one is ever responsible. The only responsibility is to get the highest wages possible and provide the least services in return. This is the only responsibility involved.

I think this should be discussed in committee.

I am very pleased that this bill is to be referred to the committee where we can discuss it and try to make amendments.

We seem to be talking only about restrictions and spending cuts in this bill. I would rather have a bill which would ensure people the services they want and are entitled to since they are paying for them. It is no use saying they are free, that hospital care does not cost anything. Workers know better. They can tell by the deductions on their pay cheque stubs that those services are not free. We are paying twice the value of the services we get today.

The Minister said he intended to keep increases down to 10, 12 and 13 per cent during 1976-77. I hope he does reach that goal but I am afraid he will limit only his payments to the provinces. Maybe those payments will be kept down, but the federal government after collecting all the taxes. as it is doing now, will return whatever it feels like. The decision will be the governement's, be it maybe 8, 10 or 12 per cent.

● (1730)

Let us not forget that the provinces are responsible for hospital services and will still have to pay the difference. If the tax rate is 20 or 25 per cent, the federal government will have no part in it, but the provinces will have to make up the difference in order to provide adequate service. As always, the government will pocket the money and the provinces will have to foot the bill.

The meaning of the 12 per cent limit must be fully grasped. In committee as in this House, we are happy to hear of spending limitations, but the understanding with the provinces must be honoured. If that understanding cannot be honoured, then we must do what is needed, we must give the provinces back their taxing rights in order that they administer medicare themselves. This way they will not have to keep on begging the federal government to pay this or that, an expensive process because with duplication of departments we pay double costs. We have to pay double price for the administration. If that is the majority's will, let us honour the agreements. And above all, there must be agreement between the parties involved. Because it is getting to be a one-way proposition. The federal government submits proposals to the provinces, but before they can be discussed with the provinces they introduce legislation. And so with majority government rule the provinces are faced with the choice of either accepting or having nothing. That is the kind of consultation we get from this government.

I submit the provinces are responsible for the citizen's health. They should tell the federal government what to do, instead of the latter imposing its will upon them. The minister boasts of our health care. He says it is better than the American and the British systems. He refers to decreasing infant mortality rate, that has been at the 1.5 per cent level these last years. But he forgets to mention that the birth rate also is now down to 1.4 per cent. In Canada, the figure is 14 per 1,000, and in French Canada, 12 per 1,000 of population. It seems that we are always the winners in one way or the other. With 12 per 1,000, there cannot be more babies who die than are born. We cannot boast too much about it and it is better not to mention it at all, especially to those of us who come from the province of Quebec, because we are a little ashamed of it. In the province of Quebec, we will soon be replaced by the Chinese and the Japanese. Anyway, with such a birth rate, we cannot do more here, I quite agree with my friends on the other side, we are doing our best.

The minister mentioned the increased number of physicians. In the last few years, the number of doctors has increased but I want to point out to the minister that this increase was not due to the number of students coming out of university but to immigration. We have to import doctors because our students cannot enter university, since the key is in the hands of the college of physicians. Today,

there is a shortage of doctors. The minister said earlier that he was worried about a surplus of physicians, when actually there is a shortage. In the province of Quebec, we need 2,000 more doctors and yet our students are kept out of university. That is why we have to bring in immigrants, so that we may receive medical care from foreigners. I do not mind it, personally, I have nothing against them, but I would much rather see our French-Canadian students enter university freely. This is the one area in the province of Quebec where the situation is most dramatic.

A while ago the minister said: In the past, in 1968, there was one doctor for every 769 inhabitants, and today, there is one doctor for every 586 Canadians. I wonder where he gets those figures? In our areas with 6,000 people, we have two general practitioners. It is not surprising that a patient who needs to see a doctor must wait one or two weeks. But these doctors do their best. They are alone for 6,000 people. How can they do their job satisfactorily? The minister said earlier: There is some fear that there are too many doctors. I do not know whether he got that fear from the College of Physicians and Surgeons, but I think that they are afraid that there will be too many doctors because this would affect their salary. However, a greater number of doctors would be much more useful to the population. In my area, I can assure you that we could easily use four doctors instead of two and that they would earn a good living of $60,000 a year. But no, we are stuck. That is the problem. People say: That happens in the country, in rural areas; all the surgeons and specialists stay in the few large centres that we have in Quebec. I can see that the figures are distorted because they include all the specialists in the large centres. But if we consider only the doctors who serve the population, we can see that we need 2,000 more doctors in Quebec. Each year, I have seen with my own eyes students who dreamt of a medical career. They had grades of 90 and 92 per cent, but were rejected. Why? I do not dare speculate here. But let us see. It is the worst closed shop ever. In our areas where 92 per cent of the population is French-Canadian, we are treated by foreign doctors because our own people have not been able to enter this closed shop.

I believe that we must point this out. The College of Physicians and Surgeons seems to think that we are ignoramuses. That we cannot realize what is going on. The whole population has been aware of it for a long time and people know why they cannot see a doctor when necessary. This is why I was surprised to hear a while ago the minister say that there will probably be too many doctors in a few years. No.

I merely say to the minister: Do not be afraid, open the door, open the universities, and if you do not have enough universities, open the CEGEPs which are standing idle, which are half-empty, and start medical classes in there. That is a solution.

Let nobody tell me that we lack facilities. When in our areas CEGEPs and composite schools are half-empty and will be only one-third full within five years, let nobody tell me that we spend too many millions. Colleges with 30 or 35 classrooms are closed down and they are handed over for a nominal price to the municipalities. Don't you think this is too much? That is administration. That is why I said earlier that what is wrong is overadministration and bad administration. We let the technocrats do as they please. And all they think about is to be overpaid for soft jobs, and then everything is fine. And as elected members of Parliament, we have nothing to say, we must obey the orders of technocrats. It requires less effort on its part if it lets all those technocrats do as they please and stays put. It only has to sign at the bottom of the letter but the real responsible people are still members of Parliament. And I think we fail in our duty by creating here through technocrats an irresponsible administration because members on the government side shirk their responsibilities, they pass them on to technocrats. It is true, some of your friends told me, they complained about that. There is a revolution in Quebec to have members of Parliament resume their jobs, their positions. Indeed, 250 Liberals in Quebec sat so the member of Parliament would resume his functions.

[Mr. Gauthier (Roberval).]

● (1740)

We travel through our ridings and know their needs street by street, parish by parish. And who comes up to manage all that, a technocrat who lives in Quebec City or Montreal who never understood what it was all about. And a legislation is prepared to try to improve health in Canada as in the province of Quebec, which is going to be discussed for a while. At present, everything is probably done, all the arrangements are probably made at the technocratic level, and that is going to be presented to the committee. Vote for, vote against, period. The majority is there. Amendments like that we can pass, and the more we do the worse the hospital service will be.

Now, to comfort us at the end, the minister tells us about the fund freeze in medical research. If there is something I am interested in it is medical research. I heard about the freeze, when all searchers live like beggars. Yet we need searchers. Indeed, I was speaking to two or three doctors who told me we would need three times more medical research here in Canada, and the funds for medical research just got frozen. What fear there is to give a little million dollars to try and find something new in medicine. And the funds are frozen for this year. Everything that is urgent gets frozen and all sorts of increases for insignificant things are allowed.

Finally, the minister tells us that he will undertake a fight. I noticed that when this bill is considered reforms or amendments will be examined with respect to the use of tobacco. I think it is time to do it, and the use of alcohol and drugs should also be added. I remember that, those past years, grants have been given to tobacco growers. How things change. A few years ago, Parliament voted grants for tobacco growers. Now, it is to be grants to control the use of tobacco. It has to be done, as it is in the case of alcohol, drugs and road safety. For weeks now, we have heard about seat belts; people think it is the answer to all problems. Of course, it is not.

The first problem to solve is, I think, the control of alcoholism, because one must not forget that 80 per cent of traffic accidents, and I have seen pretty bad one, are related to overdrinking. See what is happening: instead of talking about alcohol, or taking drastic measures, we talk about seat belts. I will tell you something, when a man is drunk, whether his seat belt is fastened or not, he will die in his car. Mind you, even if he is wearing his seat belt, he will die in his car. But this man who had too much to

drink—and this can happen to anybody—should have been warned against driving.

Let us see now what goes on. Go and watch people leaving night clubs and beer parlors late at night: 50 per cent of the drivers cannot walk straight and get behind the wheel, and no policeman is watching. There should be a policeman to tell them: "My friend, you are too drunk, you cannot drive in your condition, better leave your car and walk home." That should be the first thing to do. But you never see a policeman as people come out of night clubs and beer parlors. Why? Because that would be bad for the provincial liquor business. You have to realize that the provincial liquor business, the provincial Liquor Corporation, has to make money. So this chap is allowed to kill himself. You know that he is drunk, but you let him drive his car and, with this new reform, instead of being warned against driving, he will be fastened to his seat. He is going to be tied to his seat. As long as he has fastened his seat belt, he will have the right to go and kill himself. But if he has not, he will lose his insurance. If he gets killed without his seat belt, his insurance will not pay. That is the inconsistency in the reforms proposed.

We must absolutely stop talking about the seat belt. First of all, I do not believe in it, because I say that in 50 per cent of the cases, the seat belt may save your life, but in the other 50 per cent, it may be the cause of your death. It is strange, but we have not heard of such cases often. If a car is dumped into a river, and if its passengers all have their seat belts fastened, they will all die like rats. In 50 per cent of collisions, the air pressure causes passengers to be propelled out of the car. If they stay inside, however, the fire will start and they will be trapped inside. I say: let us begin at the beginning. Everybody admits that 80 per cent of car accidents are caused by alcohol. Let us make a legislation that will prevent that. As for high speed, it does not depend only on drivers, Madam Speaker. Car manufacturers are allowed to build racing cars that can do 150 miles an hour. Why is that, when the speed limit is 70, even on our super highways. These cars should be locked at 70 miles an hour. Why allow car manufacturers to make racing cars that can do 150 miles an hour, when such speed is illegal? So, nobody would expect to travel at such speed. It is better to cure the problem at the root instead of trying to alleviate it. But in the end, people try to explain away accidents. They say: he was killed for such and such reason probably because he did not have a safety belt which was probably not true. The thing is to take due precautions beforehand. Safety should start when a car is built. We should impose our conditions on the manufacturers. I submit this would be much more worthwhile than the minor reforms the minister proposed this afternoon.

Now, he referred to sports and sports promotion. I do not know exactly if the minister only wants to promote sports on the international level, as far as international competitions are concerned, but I urge him once again to think about our local and regional athletes. This is where he should start, at the beginning. How hard it is to get a few dollars for our local athletes! And even then, programs would still be needed so that our young people may improve their performance.

But no; grants will be given in every sphere related to international competition, but never will city or municipal projects be accepted to help train local and regional athletes.

I do hope this matter of athletics will be discussed by the committee, so that help may be given to athletes from the bottom up, to encourage our own athletes, those who compete here, at home, in our province or elsewhere in Canada, before they go competing abroad.

I believe, Madam Speaker, I have already pointed this out to the hon. members in this House. I do hope this bill will not deal merely with the question of reducing costs, but also with the question of the services to the public, so that people will get better services, live in greater security in our area, and above all, live in a state of health that can be improved through the hospital centres that Canada like the province of Quebec can afford, considering the high cost of all such services. We pay enough taxes to have top quality hospital services, as the minister mentioned in his speech. But because of poor administration, a lack of supervision on the part of the departments, we live in the difficult conditions I have just described. I do hope this bill will improve the situation to some extent.

● (1750)

[*English*]

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, it is a pleasure for me to take part in this debate on Bill C-68. This afternoon the minister extolled the virtues of the health care program in Canada, describing it as among the best in the world. I do not dispute this. However, the same program is now in peril of losing its excellence and faces considerable downgrading to the detriment of the health of citizens from one end of Canada to the other. The tool the government is using to accomplish this is the bill now before us. If the measure is passed as introduced it will seriously undermine the quality of health care throughout our country.

I am not questioning the need to try to reduce costs and control spending especially now when restraint should be the number one priority if we ever hope to make any progress in containing the fires of inflation. What I am questioning is the absence of any prior consultation with the provinces in an effort to achieve economies in health care. It was done unilaterally by the federal government contrary to the recommendations of a 1969 task force report which recommended that consultation should take place between federal and provincial governments before any monetary changes in the program were considered.

To my mind, Madam Speaker, when one partner is not aware of what the other partner intends to do it cannot help but sow the seeds of confrontation. And confrontation is what the federal government is facing today as a result of its unilateral action. I feel sure this situation could have been avoided had the federal government chosen to embark on prior consultation with the provinces in an effort to resolve this problem in a businesslike and amicable way as between equal partners.

A further recommendation in the 1969 task force report on the cost of health services in Canada stated that ways must be found to restrain the growth of cost increases through better operation of the health structure now in existence. I have no quarrel with that recommendation. It is my opinion that whether in the running of a business, a

factory, or a home there will always be found, if one tries hard enough, ways to reduce costs and overhead expenses by eliminating waste, unnecessary frills and so on, without necessarily reducing the quality of service in the business field or the quality of life in the home. This is also true of a number of government programs presently in existence. Many of these should be eliminated entirely. Others in connection with which prudent spending of the taxpayer's dollars is only faintly evident or non-existent should be drastically curtailed.

On the other hand, there are programs which are commendable and from which the taxpayer receives his money's worth. Such a program is the medicare program, and that is why it is baffling to me to understand the government's decision to establish arbitrarily spending ceilings in relation to a scheme which has not demonstrated runaway cost increases to the extent other federally-sponsored projects have done.

Government spokesmen have maintained that health costs have risen by almost 20 per cent over the past year. I do not quarrel with this figure, but what the government fails to mention is that almost all the increase referred to is the direct result of escalating expenditures in hospitals, and not medical care generally. In the fiscal years 1972-73 and 1973-74 the increase in medical costs amounted only to 9.2 per cent and 7.2 per cent respectively; costs to the federal government have not been increasing at a greater rate than the national income.

Again, I ask why the central government has arbitrarily placed spending ceilings on a program which has not demonstrated the runaway cost increases of other federally sponsored programs? The answer lies in the fact that between 70 and 80 per cent of the total cost of medical care arises from salaries and wages. During a period of inflation such as we are now experiencing this means that an increase in wages of 20 per cent will result in an increase in total budgetary outlay of 14 per cent to 16 per cent. By imposing ceilings the federal government is ensuring that it will not have to pay medical expenses arising from its inability to control inflation.

Bill C-68, if passed, will limit the federal cost-sharing contribution to medicare to an increase of 13 per cent in 1976-77, 10.5 per cent in 1977-78, and a figure thereafter to be determined in a way not yet established. There is no question in my mind that the imposition of these ceilings will markedly affect the health care delivery system. The federal government insists that if costs should rise above these figures it will be the responsibility of each province to pick up the tab for the difference. Consequently three situations could potentially arise: (1) provincial revenues would be drained, and other programs or priorities would have to be deferred indefinitely to meet the increased costs; (2) where applicable, that is, in British Columbia, Alberta, Ontario, and the Yukon Territory, premiums most likely would have to be increased in order to offset high provincial expenditures; (3) if the provinces cannot meet the extra costs, medical services will have to be reduced.

Therefore, while Bill C-68 basically follows the recommendation of the 1969 task force concerning the need to face the situation caused by rising health costs, should the government's exercise in clairvoyance fail to justify itself, Canadians will be faced with two alternatives—reduced health care services or increased taxes, may I call it six o'clock?

Mr. McKinley: On a point of order, Madam Speaker I wonder whether the acting house leader on the government side could confirm that we shall be discussing this legislation tomorrow and, possibly, on Friday.

Mr. Lalonde: Yes, Madam Speaker.

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, January 29, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

PROPOSED EXPRESSION OF DISAPPROVAL OF STATEMENTS MADE BY PRIME MINISTER IN CUBA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43 to seek leave to propose a motion arising out of remarks attributed to the Prime Minister in Cuba yesterday which are in many ways reminiscent of the 1967 incident involving President de Gaulle's "Vive Quebec Libre". I would move, seconded by the hon. member for High Park-Humber Valley:

With reference to yesterday's declarations and outbursts of "Viva" by the Prime Minister in Cuba, the House considers these, especially at a time when Cuba is heavily involved militarily in the Angolan civil war, a deplorable, degrading and disgusting incident which will undoubtedly and unfortunately be construed by world opinion as indicating Canada's support for dictatorial socialism, and, finally, the House dissociates itself from all recent utterances of the Prime Minister indicating disapproval of the free enterprise system.

Mr. Speaker: The motion cannot be put in the absence of unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

OLYMPIC GAMES

PROVISION OF FACILITIES FOR SPECTATORS AND ATHLETES—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I, too, rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. It is prompted by today's report that the Olympic Games stadium will not provide for flush toilets for some 70,000 spectators or proper changing facilities for some 10,000 athletes. I would therefore move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That the Minister of the Environment be requested to impose standards under the Clean Air Act and the new Environmental Contaminants Act which forbids, in section 2, "spilling, leaking, spraying, pouring, emitting, emptying, throwing or dumping of dangerous substances into the environment" and that the Minister of National Health and Welfare be requested to provide curtains for those athletes changing in their cars so that proper standards of modesty can be maintained and, third, that in view of past disappointments and future uncertainties in the construction of the Olympic site the Minister of Public Works obtain assurances for the House that the Games Committee will provide 70,000 one-holers rather than one 70,000-holer.

* * *

[*Translation*]

HEALTH

SUGGESTED COMMITTEE STUDY OF DANGER OF MERCURY POISONING IN NORTHWEST QUEBEC—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion of urgent and pressing necessity.

Considering that a report from Environment Canada has clearly shown that an industry in the Matagami and Lebel-sur-Quevillon area is a major source of mercury pollution and considering that such a source is liable to cause serious diseases among all individuals contaminated by mercury, I move, seconded by the member for Bellechasse (Mr. Lambert):

That the Standing Committee on Health, Welfare and Social Affairs investigate the dangers of mercury poisoning on the spot in Northwestern Quebec and report to this House on the means to be taken to protect the people of Northwestern Quebec from the serious danger of mercury poisoning.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to Standing Order 43, the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there is no unanimous consent, the motion cannot be put.

* * *

[*English*]

ANTI-INFLATION BOARD

SUGGESTED EARLY IMPLEMENTATION OF PROCEDURE FOR APPEALS FROM BOARD DECISIONS—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, pursuant to Standing Order 43 I rise on a matter of urgent and pressing necessity with regard to which I request prompt action on the part of the House. Recognizing the fact that the government's delay in instituting the Anti-Inflation Board appeals procedure has prolonged the strike in the Canadian paper industry, particularly by surrounding the critical Irving decision with an atmosphere of uncertainty and an aura of injustice, and noting the statement made by the Minister of Finance, as reported in the press, that the

anti-inflation legislation may have to be amended to permit direct appeals from decisions of the Board, I ask leave to move, seconded by the hon. member for Cape Breton-East Richmond:

● (1410)

That this House instruct the Minister of Finance to introduce immediately amendments to the anti-inflation legislation guaranteeing the prompt establishment of a just, non-arbitrary and equitable appeals procedure from Anti-Inflation Board decisions.

Mr. Speaker: According to the terms of Standing Order 43 such a motion cannot be presented without the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

INDUSTRY

REQUEST FOR STRICT CONTROL OF IMPORTATION OF COLOUR TELEVISION SETS—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43 and ask for the unanimous consent of the House; I am sure that no hon. member can disagree with such a motion.

Considering that almost half of the colour TV sets sold in Canada, that is 46 per cent, are manufactured outside Canada, mostly in Japan and in the United States, and that the importation of such colour TV sets is detrimental to Canada and Quebec manufacturers and workers; and considering also that the Fleetwood company, the only colour TV manufacturer in Quebec, just said that it has to dismiss 150 employees, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House immediately take the required steps to exercise stricter control over U.S. and Asian importations in order to give greater protection to Canada and, particularly Quebec workers, where the unemployment rate is rising alarmingly.

Mr. Speaker: Order, please. The House has heard the hon. member's motion. Being proposed pursuant to Standing Order 43, it requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF NOVA SCOTIA LEGISLATURE, HONOURABLE VINCENT MacLEAN

Mr. Speaker: Before proceeding with the oral question period I know hon. members would want to join with me in welcoming a very distinguished visitor to our galleries, the Speaker of the Nova Scotia legislature, the Hon. Vincent MacLean.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

MEASURES TO STIMULATE INVESTMENT IN INDUSTRIAL PLANT—EFFECT OF LEVEL OF CANADIAN DOLLAR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance arising out of the very recent statement made by the chairman of the Economic Council. I quote him as follows:

Because of the relatively low level of business investment in recent years, however, our industrial capacity is insufficient to meet increased demand without aggravating inflationary pressures.

I should like to ask the minister whether he would indicate, in very brief and general terms, what steps he proposes to take to stimulate investment in industrial plant, in view of those comments and particularly in view of the unsettlement created by the Prime Minister's comments on the new society, or does he intend to leave this whole subject to the Minister of National Defence?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, this question is obviously of such broad purport and requires such an extensive reply that it seems to me hardly one that can be effectively dealt with during the question period.

Mr. Stanfield: There might be some question whether the minister could effectively deal with it at any time. I should like to ask the Minister of Finance whether he believes that the current level of the Canadian dollar, with its disturbing effects on Canadian exports, will encourage investment in industrial plant in Canada.

Mr. Macdonald (Rosedale): Mr. Speaker, I did respond to the hon. member for Dauphin on this question two days ago. The current level of the Canadian dollar I do not think in itself will have a deterrent effect. We will, of course, have to monitor very closely movements of the Canadian dollar. If the current confidence of foreign investors in Canada continues, there will, of course, be upward pressure on the dollar and at that time we will have to consider what policy to adopt.

Mr. Stanfield: Mr. Speaker, I would ask the minister to stop fooling around. Does the hon. gentleman accept that investment in industrial plant in Canada in recent years has been inadequate, as indicated by the chairman of the Economic Council of Canada, and if so, why does he not do something about it? What possible excuse can he have for waiting for spring, as he has indicated, for a budget?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman should recognize, after his experience in the House,

that it makes far more sense to deal with questions of this kind, particularly involving fiscal changes, within the context of a budget. I am sorry that the reasons I have given for postponing a budget right at this moment do not appeal to the hon. gentleman, but I think they are sensible.

POSSIBILITY OF MEASURES TO CURB CONSUMER SPENDING—PROPOSAL OF ECONOMIC COUNCIL TO STIMULATE CONSUMER SPENDING—GOVERNMENT POSITION

Mr. Jim Balfour (Regina East): Mr. Speaker, I have a further supplementary question for the Minister of Finance. In view of recent statements by the Minister of Public Works concerning excessive consumer spending, does the minister propose to take steps to curb consumer spending in Canada?

Hon. Donald S. Macdonald (Minister of Finance): That is a question, of course, Mr. Speaker, along with others that would have to be considered in the framework of a general budgetary statement.

Mr. Balfour: Mr. Speaker, in view of the recommendations of the chairman of the Economic Council that personal income taxes be reduced to stimulate consumer spending in order to reduce unemployment, is the minister prepared to indicate which view he shares, that of the Minister of Public Works or that of the Economic Council?

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I should remind the hon. gentleman that the long standing practice in the parliamentary system has been to deal with fiscal statements and changes in fiscal policy within the context of the budget, and I would propose to adhere to that practice.

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ENVIRONMENTAL AFFAIRS

EMISSION LEVELS AT SYNCRUDE—POSSIBLE IMPOSITION OF FEDERAL STANDARDS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I received a letter yesterday in reply to questions I put to the Minister of the Environment concerning environmental controls in respect of the Syncrude project, in which the minister stated at one point that his department intends to use the "best practicable technology". Since the minister's own departmental study in 1974 on the Syncrude project indicated that it was possible to reduce the level of emission of sulphur dioxide to 40 long tons per day, why has this department permitted the project to proceed with levels of emission which will reach up to 287 long tons a day?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, the first responsibility in that field lies, of course, with the government of Alberta. We have made some studies and my department believes it is possible to reduce the amount of sulphur dioxide emission from 287 long tons a day to 40 long tons a day. That being possible, the government is pressing the companies to use this new technology in order to obtain this reduction.

Mr. Broadbent: In the minister's letter to me he has indicated that the government has entered into an agreement with the government of Alberta that will permit "levels of emission up to the level of 287 long tons". What the minister is now saying, if I understand him well, is that this might not be the case, and that it is possible to get a level of control which is more rigorous than this, a level this government wants. What I want to do is get this minister, who is responsible for the environment in Canada, to make a commitment that it is the objective of this government, which holds an equity in the Syncrude project and is on the management committee, to insist on this standard as a condition to further federal participation.

Mr. Marchand (Langelier): Mr. Speaker, I can assure the hon. gentleman that I will insist on having this present emission reduced. While it is true that we hold equity in the Syncrude project it is a small percentage, I think about 15 per cent, but even without a majority of the shares we intend to exercise pressure on these companies to do this.

Mr. Broadbent: Mr. Speaker, I think it is important to be as precise as possible on this matter. I would ask the minister whether the government is going to insist that the project comply with these possibilities indicated in the department's own study of 1974? Is the government going to insist that these practicable levels, a phrase which the minister used in his letter to me, are to be complied with in Syncrude as a condition to continued future federal government participation?

Mr. Marchand (Langelier): Mr. Speaker, we are going to advise the department of energy, as we have already done, in respect of this matter, as Syncrude does not come under my jurisdiction. I think what the hon. member suggests is something the department of energy is ready to do. I am sure the minister can answer for that department. As far as I am concerned, I am going to continue to advise, as in the past, that the Syncrude project should comply with these new standards.

* * *

● (1420)

[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST FOR ACTION AGAINST ORGANIZED CRIME

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to direct my question to the Minister of Justice.

Considering that Quebec's commission against organized crime is, in the eyes of the people, a dismal farce whose only contribution has been to release the names of members of the underworld and murderers, can the minister tell us whether or not federal justice will step in, as some of those known criminals are let loose in the city of Montreal and no one seems to do anything about it while decent citizens are left at their mercy? Will federal authorities eventually intervene in the commission's activities?

[*English*]

Hon. Ron Basford (Minister of Justice): Well, Mr. Speaker, I think the inquiry that has been held in Quebec has exposed a number of people, some of whom have been charged under federal or provincial statutes. I think the commission has been getting results. If there is evidence in the hands of the crown attorneys of the province of Quebec, I am confident that that evidence would be used to bring charges against persons in respect of whom they have evidence.

[*Translation*]

QUEBEC CRIME PROBE—GOVERNMENT ACTION IF COMMISSION DECLARED UNCONSTITUTIONAL

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary question: Since the Supreme Court is expected to rule within two days on the validity or that invalidity of the commission against organized crime, is the minister still prepared to put forward a bill to the House, should the Supreme Court of Canada declare the commission against organized crime invalid? Has the minister drafted legislation to face this eventuality?

[*English*]

Hon. Ron Basford (Minister of Justice): Yes, Mr. Speaker. I have for some time indicated that should the intervention of the Supreme Court of Canada indicate that the Quebec crime inquiry is not constitutional I would be prepared to introduce legislation to clothe such provincial inquiries with constitutionality.

DATE OF INTRODUCTION OF LEGISLATION CONCERNING CAPITAL PUNISHMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not know whether my question is exactly supplementary but in any event I think it is complementary. It is directed to the Minister of Justice who has given a new vision to his department since taking over.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: In view of the uncertainty in all parts of our country concerning the lack of enforcement of capital punishment, which under the law is still in partial effect, I should like to ask the minister whether at the earliest possible date and certainly within the next two or three weeks he will see that a measure is brought before the House to determine once and for all the question of the imposition of capital punishment.

Hon. Ron Basford (Minister of Justice): Well, Mr. Speaker, the Solicitor General and I, on behalf of the government, indicated we would be bringing in a number of measures including the one referred to by the right hon. gentleman and we hope to do that as soon as possible.

Mr. Diefenbaker: I have a supplementary question, Mr. Speaker. These package pieces of legislation of course will not cover the situation. I am asking for assurance that the question of capital punishment will not be included in a mass of other amendments, but will be placed before the House by itself so that the House can determine this question with certainty and clarity.

Mr. Basford: Mr. Speaker, we have indicated we would be introducing a measure to deal with the question of capital punishment. Until the actual legislation is introduced I do not think I could go any further than I have today.

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LABOUR CONDITIONS

GOVERNMENT POSITION ON LIMITATION OF RIGHT TO STRIKE

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to address my question to the Minister of Labour. I wonder whether the minister would indicate to the House if the government has changed its policy in the area of industrial disputes in favour of free collective bargaining as opposed to a policy of limitation of right to strike in so-called essential services or with respect to trade unions that possibly are so strong they can make unfair demands on employers. Has that policy been changed or is it the same policy as indicated by the Prime Minister prior to Christmas?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am not so sure that I fully understand the question put by the hon. member, but at any rate let me say that our policy with respect to free collective bargaining is the same as it has always been. What we are endeavouring to do, however, is to arrive at better techniques through consultation with management and labour on an active basis through the mechanism of the tripartite council, the Canada Labour Relations Council.

Mr. Hnatyshyn: I wonder if I may ask the Minister of Labour if this policy has not been changed whether the Minister of Transport was expressing government policy when he indicated that he supported the elimination of the strike weapon in cases where unions are able to make excessive wage demands on employers, and that such measures should not only apply to so-called essential services, or is the government reviewing the whole question of the right to strike and, if so, can we expect legislation in this area in the near future?

Mr. Munro (Hamilton East): Mr. Speaker, the government, through its participation on the tripartite council is reviewing the whole area of the free collective bargaining process to try to eliminate the more adversarial elements as a means of arriving at industrial peace and this certainly includes trying to find a better technique to resolve labour stoppages in the public sector.

TRADE

PROPOSED INFORMATION PROGRAM TO MAINTAIN MARKETS IN UNITED STATES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Has he been made aware and has he studied the recently issued report of our Senate Standing Committee on Foreign Affairs which states the following:

Canada must set up an improved information program in the United States, or risk jeopardizing its trade with the United States market.

Has the minister examined that report and, if so, does he or his department intend to take steps to overcome this serious deficiency in promoting trade with our most important customer?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I have not read the report in full but I have been briefed by the chairman and the senators concerned. I am inclined to agree very much that we must step up our efforts to make the Canadian position, and Canada, generally better known in the United States. I think the hon. member will agree that I could not act more rapidly. The new minister of commerce will be sworn in on Monday. My request to him to see me will be filled as soon as he is sworn in. The new United States ambassador to Canada is being received, I believe, on the 17th of next month and I have an appointment with him on the 18th. These are the two immediate steps I will be taking in that connection and there will be many more.

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AGRICULTURE

REQUEST FOR STATEMENT ON REASONS FOR REGULATIONS CONCERNING BLUE TONGUE—POSSIBLE DISCUSSIONS WITH UNITED STATES

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a question relating to the livestock disease known as blue tongue and I wish to address it to the Minister of Agriculture. In view of the very irresponsible lead editorial in the January issue of *American Hereford Journal* concerning Canada's new health of animals requirement for double testing for the blue tongue disease in imported cattle, and notwithstanding the need and validity of this new Canadian regulation for the protection of Canada's global trade relations in cattle, beef and sheep, would the minister consider making a formal statement giving the essential facts and reasons for Canada's revised policy regarding blue tongue?

Hon. E. F. Whelan (Minister of Agriculture): Yes, Mr. Speaker. I think it should be said here that Canada is free of this disease, both in the cattle population and the sheep population, and it is most important that we keep that record. I understand today that the U.S. secretary of state for agriculture has informed cattlemen in his country that he would do the same thing to protect his cattle industry if it was in the position in which the Canadian cattle industry finds itself.

Mr. Hargrave: In view of the likelihood of imminent public reaction in the United States demanding retaliatory action calling for similar testing procedures on Canadian cattle and possibly other border state actions, would the minister not feel it would be appropriate to further discuss this matter with U.S. Secretary Butz in view of the very real possibility that U.S. action could very well damage and impair the recent return to normal cattle trading practice between our two countries following the abolition of the quotas?

● (1430)

Mr. Whelan: We are very concerned about any action which may be taken by the United States, but we have had discussions with U.S. department of agriculture officials. They are fully informed about our concern with respect to our livestock being free from this disease, and we will be discussing it further with them to make sure people in their country who are concerned about this disease are fully informed and understand our position. When I was in the United States we did discuss blue tongue. The largest cattle population is in the state of Texas, and they are having difficulty in the state of Texas trying to control this disease. The only way to control it is to eradicate it. We have had to eradicate several herds imported from the United States in recent months because of blue tongue disease.

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FISHERIES

LIMITATION OF CATCHES ON WEST COAST—REQUEST FOR STATEMENT ON NEGOTIATIONS WITH OTHER COUNTRIES

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is for the Minister of State (Fisheries), his parliamentary secretary or the acting minister.

Mr. Hees: Just anybody who will answer.

Mr. Anderson: This House recognizes the success of the minister in cutting down the catch by foreign long distance fishing fleets on the east coast of Canada. My question is, have there been any recent discussions or negotiations, or will any take place, regarding a limitation of catches on the west coast of Canada? This is of particular importance at this time due to the presence of East German trawlers off the west coast during the current herring season, and many people on the west coast fear that—

Mr. Speaker: Order, please.

Mr. Anderson: May I just finish, Mr. Speaker?

Mr. Hees: Give us the third paragraph and the finale.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, it would be a very long answer if I were to describe all the negotiations which have taken place. However, certainly our negotiations with the Japanese and the Americans on the protection of halibut were successful. The East German fleet which was off the west coast has moved out. We made strong representations, and they moved away from the Canadian area. In addition, we now

have on an ad referendum basis an agreement which has been negotiated with Poland, the details of which will be released in the weeks to come. This agreement will indicate that the situation with the Polish fishery on the west coast will come under a joint agreement, and Canada will protect its fisheries.

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MANPOWER

MEASURES TO ALLEVIATE UNEMPLOYMENT IN CAPE BRETON

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that, as I informed him, some 25 per cent to 28 per cent of the labour force of 44,000 now in industrial Cape Breton is currently unemployed, and that the premier of Nova Scotia called a special meeting on January 19 to be followed by another meeting on February 9, at which the minister had a representative present, I should like to ask the minister if he would inform the House what projects or financial involvement may be forthcoming from the federal government to help alleviate this crisis situation in the short term and medium term development for the Cape Breton area.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am fully aware of the distressingly high unemployment rate in Cape Breton, and I am also aware that it may increase for a number of reasons. The programs of the department can help and are helping to alleviate this. We are going to bring to bear the whole range of manpower programs. Additional job creation, funding and training has already been discussed. As the hon. member pointed out, there was a meeting at which federal, provincial and other people attended, and there will be further meetings. I think in the longer term the answer must be more in the line of industrial development, which is outside the direct scope of my department, and meetings are taking place in Ottawa with the Department of Regional Economic Expansion and my officials particularly to develop plans and to discuss further with the provincial authorities on this matter.

Mr. Speaker: One supplementary, the hon. member for Cape Breton-East Richmond.

Mr. Hogan: Mr. Speaker, if I only have one supplementary question, I will turn to the Parliamentary Secretary to the Minister of Regional Economic Expansion, because I want to follow up that vague reference. A representative of DREE attended the January 19 meeting and will attend the February 9 meeting. Is he going to announce what the department will consider doing, not for the long-term problem in connection with the steel industry, but for the short and medium term emergency infrastructure expenditures which will put people to work? There is $1 million in unemployment insurance going into that area every month. They are not getting jobs there, and they are not getting the active manpower policies which are needed.

Some hon. Members: Hear, hear!

[Mr. LeBlanc (Westmorland-Kent).]

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, just briefly, I know that the minister and department officials are working with the province of Nova Scotia to re-examine some of the ongoing agreements there to try to alleviate the problems raised by the hon. member, so I presume that by that time they will have some concrete suggestions to put forward.

ENVIRONMENTAL AFFAIRS

POSSIBLE FEDERAL PARTICIPATION IN SPRUCE BUDWORM CONTROL PROGRAM IN NEW BRUNSWICK

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of the Environment, of which I gave him notice. In view of the critical situation in New Brunswick forests because of infestation of spruce budworm, will Canada share with New Brunswick and private industry in funding a spray control program for 1976? Will the minister agree to continue research into a control program which does not involve the spray control program?

So that I will not have a supplementary question, has the minister seen a telegram from the premier of New Brunswick indicating that it is urgent that the decision Canada makes be made very rapidly so that lead time can be put in place?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, first I will answer the last part of the question. I have not seen the telegram. I do not think it was addressed to me. With regard to the spruce budworm, if the question is limited to the research we should do, we are ready to do that, and we have been doing it for quite a length of time.

As far as money is concerned, I have no money in my budget, and I am told by Mr. Hanusiak or Mr. Boudreau, who is the minister of natural resources, that it would cost about $7.5 million more than New Brunswick can afford. I am trying to reach an agreement with DREE in order to redirect some resources in the present agreement or in the forestry sub-agreement with New Brunswick in order to take care of at least part of what is required. However, I cannot promise we can reach this $7 million. This would be quite difficult.

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[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBILITY OF RECONSIDERATION OF DECISION TO REFUSE CERTAIN PROJECTS

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I want to put a question to the Minister of Manpower and Immigration, to whom I gave advance notice of my question.

Since the Local Initiatives Program will be terminated in June 1976 and since a large proportion of the people of the constituency of Hochelaga is unemployed, can the

minister tell the House whether he intends to change that decision of the federal government in order to meet the essential needs of constituencies like Hochelaga, knowing that the suppression of such projects will further disadvantage a constituency like the one I represent?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as indicated by the President of the Treasury Board in December, there is a reduction in the allocation for local initiatives for the fiscal year 1976-77, although there is a remaining commitment for $100 million for a program of a very similar nature in job creation. While we have not worked out the details, it will be our intention to direct even more stringently that fund and those fundings to areas of high unemployment. This will probably result in a reduction of allocations to other constituencies where that is not so serious a problem. I think Hochelaga will probably fall within the range of those constituencies which will receive attention.

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AGRICULTURE

CHEESE—GOVERNMENT INTENTION WITH REGARD TO IMPORTS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is to the Minister of Agriculture, and it relates to the existing surpluses of industrial milk. In light of the fact that a significant portion of this surplus could be used in the Canadian cheese processing industry, if that industry were operating in a satisfactory economic climate, I ask the minister if it is still government policy to permit imports of foreign cheese to at least double over the next few years.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, for the information of the hon. member, there are many cheese factories, and one not too far from his constituency, which increased production by 22 per cent this year for the fiscal dairy year, and this is on the increase. Many other cheese factories are doing that. We have said we are reconsidering the amount of cheese that will be allowed to be brought into Canada by permit. A decision has not been made on that problem at this time.

● (1440)

Mr. Jarvis: Mr. Speaker, may I hope the increase is 44 per cent next year. As a final supplementary may I ask the minister, to at least ease the short term problem of the industrial milk crisis, if he can assure the House now that imports of foreign cheese for this year will not be allowed to increase over the levels that existed for foreign cheese imports last year?

Mr. Whelan: Mr. Speaker, the level of imported foreign cheese to Canada last year was 50 million pounds and that was agreed to by the Canadian dairy producers and the Canadian dairy processors. I can say that the surplus of milk production in Canada today exceeds that amount by about 5 per cent which, is 26 per cent above what it was last year at this time.

Mr. Jarvis: A final supplementary, Mr. Speaker. I wonder if the minister could guarantee to us now that imports this year will not exceed the 50 million pounds figure? I quite agree with his answer as far as it went but now could he answer my question about this year?

Mr. Whelan: Mr. Speaker, I thought the hon. member had more optimism. I said I was going to try to lower that figure and we are still working on it.

ENVIRONMENTAL AFFAIRS

SPRUCE BUDWORM—FEDERAL PARTICIPATION IN CONTROL PROGRAM IN NEW BRUNSWICK

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, my question is a supplementary one to the Minister of the Environment who suggested when he answered the hon. member for Fundy-Royal that he was going to ask for a reallocation of DREE funds. Did he mean that funds already allocated to New Brunswick under agreement would have to be redirected to fill the needs of the budworm spraying operation?

Hon. Jean Marchand (Minister of the Environment): That is what I meant, Mr. Speaker.

Mr. McCain: A supplementary question. In view of the vast economic importance of the lumber industry to eastern Canada, does it not seem only proper that the Minister of the Environment and the government of Canada should share this cost not only with New Brunswick but with other provinces as well which are just coming into the critical period of budworm infestation?

An hon. Member: Right on!

Mr. Marchand (Langelier): Yes, right on, sure! This is a problem which definitely falls under provincial jurisdiction. We are ready to help but we are not ready to assume responsibility for the spruce budworms. Budworms belong to provincial jurisdiction. I think the hon. member is right. If we do something we will need to have a national policy on this and that means we have to pay. Most of the forests are affected and Quebec has more forests than New Brunswick affected by the—

Mr. Nielsen: There are more worms in Quebec.

Mr. Marchand (Langelier): We will have to pay all provinces which are afflicted by this insect infestation.

* * *

[*Translation*]

PUBLIC WORKS

THE CEDING OF BOIS DE COULONGES TO QUEBEC GOVERNMENT—POSSIBILITY OF CONDITIONS IN TRANSFER ACT

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I want to ask a question of the hon. Minister of Public Works.

Contrary to the allegations made by the Quebec Minister of Cultural Affairs, as reported by the Canadian press on Wednesday, January 28, 1976, that the federal government has traditionally refused to surrender the land it owns in Quebec, could the Minister of Public Works confirm that around mid-January 1976, the federal government surrendered to Quebec, without financial compensation and on a voluntary basis, the site known in Quebec City as Bois de Coulonges, where previously stood the residence of the lieutenant-governor of the province which burnt in 1964? Can he also tell the House whether conditions regarding the occupation of the site were included in the transfer act?

Hon. C. M. Drury (Minister of Public Works): Yes, Mr. Speaker, I can confirm that the transfer of the land was made in mid-January as described. I shall also say that there was no transfer condition regarding the residence of the lieutenant-governor at Bois de Coulonges.

* * *

[English]

ENERGY

PROPOSED SITE FOR ELDORADO NUCLEAR PLANT—REQUEST FOR ASSISTANCE TO MUNICIPALITY TO CONDUCT ENVIRONMENTAL STUDY

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. It has come to my attention that Burwash, a community in the riding of Nickel Belt, is being considered as one of four possible locations for an Eldorado nuclear chemical plant of twice the capacity of Port Hope. In view of recent events in Port Hope which have raised the question of the impact nuclear plants on residents in the area, can the minister assure the House that funds will be provided to area municipalities where the plant will be located so that independent environmental studies can be undertaken and that all studies done will be made public? Secondly, can the minister assure the House that adequate public hearings will be held in the area to allow local citizens an input into the final decision?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am not in a position to give a complete answer to the hon. member. I know there has been a task force formed and something like a dozen different sites have been looked at throughout Ontario and other parts of Canada. Many municipalities have requested that the new refining facility be put in their municipality. Environmental testing and economic factors are also under consideration. I will certainly make these representations to Eldorado and make sure that the community to which the hon. member refers is consulted in respect of the site selection.

* * *

[Translation]

OLYMPIC GAMES

INQUIRY WHETHER MONTREAL ASKED FOR ASSISTANCE OF ARMED FORCES—RESPONSIBILITY FOR PAYMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to put a question to the Acting Prime Minister.

[Mr. Joyal.]

Is he in a position to tell this House whether the Quebec government or the city of Montreal have requested from the federal government the Canadian Armed Forces services for the duration of the Olympic Games in Montreal? If so, how many troops would be affected?

[English]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think this question should be directed to the Minister of National Defence.

[Translation]

Mr. Lambert (Bellechasse): In this case, Mr. Speaker, I shall put a supplementary question to the Minister of National Defence. I hope you will allow me to repeat my question.

I would like the minister to tell this House whether the municipal government of Montreal or the Quebec government have filed a request to the Department of National Defence to obtain the Armed Forces services during the Olympic Games that will take place in Montreal in 1976? If so, how many men will be dispatched for this purpose?

[English]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, extensive discussions have taken place. As I announced before, there will be approximately 10,500 members of the Canadian armed forces assisting at the Olympic games next summer. About 5,000 or 5,500 of those will be directly involved in security. About 2,500 will be working with COJO and another 2,500 will be providing support to the other members of the inside group.

[Translation]

Mr. Lambert (Bellechasse): A supplementary, Mr. Speaker. Since the minister replied in the affirmative, could he tell the House whether it will be a federal contribution or whether the Quebec government will have to take charge of the expenditure?

[English]

Mr. Richardson: Mr. Speaker, the regular salary or pay and allowances will be paid by the federal government but the out of pocket costs or additional costs may be paid for by others. I do not think there has been complete negotiation on the out of pocket costs. It appears to us now that National Defence will have a cost of approximately $24 million above the regular pay and allowances.

* * *

PUBLIC SERVICE

REQUEST FOR REPORT ON NEGOTIATIONS WITH TEACHERS

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the President of the Treasury Board. As

federally paid teachers are paid much less than provincially paid teachers could the minister tell the House at what stage negotiations are now and whether there is any chance of a catch-up?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I believe that negotiations have resumed on the matter and I hope we will reach an agreement very soon.

* * *

[*English*]

INDUSTRY

POSSIBLE ASSISTANCE TO SERVICE STATION OPERATORS TO REPLACE PUMPS IF PRICE OF GASOLINE EXCEEDS ONE DOLLAR

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that hundreds of thousands of service station operators in Canada are collecting taxes for the federal government through the 10 per cent tax, and in view of the fact that the press at least indicates that the cost is going to go to a dollar a gallon or more, is the federal government or the ministry prepared to assist these service station operators to replace their gas pumps which only read 99.9 cents at the moment and will have to be geared to read a dollar or a dollar plus.

Hon. Donald Jamieson (Minister of Industry, Trade and Commerce): I would doubt it, Mr. Speaker.

* * *

TRANSPORT

REQUEST GLENWOOD CHAMBER OF COMMERCE BE INFORMED OF ACTION TO RESTORE MOVEMEMT OF GRAIN

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is for the Minister of Transport. There is to be a meeting of the chamber of commerce in Glenwood tonight to discuss methods that might be taken to restore grain transportation. Will the minister assure the House that he will contact the Chamber of Commerce in Glenwood before their meeting tonight with a statement of his intentions?

● (1450)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will be glad to let the Chamber of Commerce know of our intentions. The intention to use trucks to relieve the congestion of elevators isolated by the bridge being out developed additional congestion in some of the neighbouring elevators. Accordingly, we have again viewed the condition of the bridge in question. I have now written to the Canadian Pacific Railway Company asking them to repair the bridge. I hope they can take further action in this regard.

NATIONAL DEFENCE

POSSIBILITY OF MOVING ADDITIONAL TROOPS TO GERMANY FOR MANOEUVRES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is to the Minister of National Defence. Several weeks ago the Chief of Defence Staff stated that he planned to deploy for exercises the 1,100 troops that our mechanized brigade group in Germany needs to bring it up to fighting strength. Has the minister approved or has he any knowledge of any projected exercise to determine if we can find and move 1,100 troops to Germany as part of such an exercise?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, since returning to Ottawa, I have not had discussions with the Chief of Staff on that subject.

Mr. McKinnon: Can the minister assure us that he has sufficient troops earmarked for this role to ensure that the exercise, or the operation, could be carried out during the time of the Olympic Games, for example?

Mr. Richardson: Mr. Speaker, I am certain that if the Chief of Staff planned that troop movement, he clearly has sufficient troops. He is very familiar with the requirement for the Olympic Games.

* * *

EXTERNAL AFFAIRS

REQUEST FOR EXPLANATION OF STATEMENTS BY PRIME MINISTER IN CUBA

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the difficulty of various cabinet ministers to explain away other recent statements of the Prime Minister, can the Acting Prime Minister explain the reasons for the statement or outburst of the Prime Minister, namely "viva Cuba, viva Castro", alleged to have been made by the Prime Minister in Cuba yesterday?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, perhaps the best answer I can give is that of one of the more astute observers here, Mr. Geoffrey Stevens who said in his column yesterday "these words are apt to cause Mr. Trudeau some concern". However, he went on "but that would be unfortunate because the words were both expected and innocent".

Some hon. Members: Hear, hear!

* * *

SPORTS

GOVERNMENT INTENTION WITH REGARD TO AID FOR AMATEUR HOCKEY

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact the minister is well known for his intervention in professional sport in this

country, can he advise this House whether he is prepared to share his concern with the financially ailing junior hockey teams in particular and amateur hockey in general as they tend to be far more Canadian and have a much stronger impact on our youth than the CFL, for example.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I often meet with representatives of the Canadian Amateur Hockey Association and Hockey Canada. Meetings are held regularly and very frequently and I must say relations are excellent. In fact, there is no serious problem in abeyance between the department and the CAHA at the present time. We are working amicably and towards common objectives.

* * *

[*English*]

EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTOR TO SOUTH KOREA—DATE OF MINISTER'S STATEMENT AND TABLING OF SAFEGUARD AGREEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State for External Affairs whom I would like to welcome back from a very hazardous journey.

Some hon. Members: Hear, hear!

Mr. Stanfield: I congratulate him for overnight giving foreign policy a completely new image—option number four I guess. Will the minister indicate when he will be making a statement in the House on the subject of the agreement with South Korea relating to safeguards of CANDU because, in his absence, it was indicated by the Minister of Energy, Mines and Resources that he would be doing this as well as tabling the agreement. Will the minister advise when we may expect this so that those of us who are interested will be sure to be here to not miss anything.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. gentleman for his welcome which I appreciate very much. I am more confortably seated here than I was on the occasion to which my hon. friend referred. I intend to table tomorrow the agreement on nuclear co-operation between Canada and the Republic of Korea which was signed in Seoul on Monday of this week and possibly make a short statement so that members may ask questions if they wish.

* * *

FOOD PRICES

REPORT ON FOOD PRICES IN THE NORTH—POSSIBLE IMPLEMENTATION OF RECOMMENDATIONS

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. It is with respect to the report of the Food Prices Review Board on northern food prices which was tabled just before the Christmas recess. Have any of the recommendations of the report been adopted, in particular that which had to do with further investigation into the reason for the high cost of foods in Canada's north?

[Mr. Jelinek.]

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker. I had notes on the subject but, unfortunately, I have just sent them back to my office. I thought I would not be asked any questions before the end of the question period. I shall answer the hon. member tomorrow.

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON CONTINUING CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Before putting my question, may I join in welcoming the minister back to the House. While having his camel ride and meditating, did he give consideration to reporting to the House on the continuing Conference on International Economic Co-operation, of which he is co-chairman, and specifically will he indicate what policies will be presented by the Canadian officials on the two commissions, energy and development, to which Canada has been named?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will consider reporting to the House on developments to date on the Conference on International Economic Co-operation which was held in Paris just before Christmas and the meeting of the co-chairman of the conference and co-chairmen of the commissions which was held in Paris on Monday and Tuesday of this week, if that would be useful. I will attempt to make a brief report to the House, possibly one day next week, and give hon. members an opportunity, if they wish, to ask some questions. It would be difficult at this stage to project in full the policies that the government will put forward at the two commissions mentioned, but these are under consideration and preparation.

POSSIBILITY OF DEBATE ON SALE OF NUCLEAR REACTORS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of his statement a few moments ago that he intends to table tomorrow the agreement with South Korea for the sale of a nuclear reactor to that country, because of the far-reaching implications of such an agreement, particularly in the present world situation, is he prepared to introduce at the same time or within the next few days a motion before the House in order that this matter may be discussed and debated and so that the members of this House may have an opportunity of expressing their views with regard to this transaction?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we will see how we get along tomorrow. It may be that the agreement itself and the explanations will make a further debate unnecessary.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order to ask the government House leader the intentions of the government with regard to the business for the balance of this week and next week.

Mr. Sharp: Mr. Speaker, it is the intention of the government to continue the debate which is now taking place on Bill C-68, the amendments to the Medical Care Act. If we can make enough progress on Bill C-68 within the next day or so, this will be followed by Bill C-72, on human rights.

● (1500)

As I indicated earlier in the week, it would be our intention to call next week, subject to any last minute developments, Bill C-58 and Bill C-81. Those were the items we had in contemplation. I should add that I hope there will be an opportunity, also, of disposing of the amendments made by the Senate to Bill S-10. I do not suppose that will take very long.

Mr. Baker (Grenville-Carleton): Perhaps I might ask the hon. gentleman another question. I note there is nothing on the order paper with respect to statements made by the Prime Minister dealing with a new concept of labour relations, and I wonder whether it is the intention of the government to bring forward this session a bill with respect to those plans which the Prime Minister indicated in a speech are in existence at this time. If it is not the minister's intention to do so in the course of the present session, may I ask whether the government has determined irrevocably that there will not be an end to this session, a Speech from the Throne and a new session of parliament within, perhaps, a month or so, when one might consider this legislation?

Mr. Sharp: When I was discussing this matter with the House leaders last week, I indicated the bills we had in mind bringing forward if this session were to continue, say, until June 30. The particular legislation to which the hon. member referred was not on that list. If, however, a decision were made—I do not think this is likely—to begin a new session with a Speech from the Throne in the near future, we would then, of course, be looking at a much more comprehensive program and one which might conceivably include that kind of legislation.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the government House leader whether the cabinet, at its meeting today, approved a bill to implement the seventh report of the Standing Committee on Veterans Affairs having to do with pensions for Canadian veterans who were prisoners of war, and is he in a position to tell us now when such a bill will be introduced?

Mr. Sharp: That item was not on the agenda today, but I listened to what my colleague, the Minister of Veterans Affairs said, that he thought he would have something to say about the matter within a couple of weeks.

Order Paper Questions

Mr. Speaker: The next item under routine proceedings would be statements by ministers. It has been made clear that a statement of some importance is to be made today by the Minister of Transport, and since this would be followed by questions I wonder whether hon. members would not agree that we ought to conclude routine proceedings before reverting to statements by ministers in order to accomplish this?

Some hon. Members: Agreed.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,070, 3,582, 3,612, 3,616, 3,692, 3,698, 3,730, 3,732, 3,737, 3,756, 3,779, 3,800, 3,810, 3,816 and 3,878 (corrected).

[*Text*]

PRIME MINISTER'S RESIDENCE—CANADIANA

Question No. 3,070—**Mr. Cossitt:**

1. With reference to the answer to Question No. 2,305 on the subject of the Prime Minister's residence which stated in part that "many important items of Canadiana are situated in various parts of 24 Sussex Drive" (a) what is the complete list of all Canadiana items acquired since April 20, 1968 (b) on what dates were they acquired (c) what was the cost in each case?

2. What is the total cost of (a) all Canadiana items purchased (b) all antique items originating in foreign countries that were purchased since April 20, 1968?

Hon. C. M. Drury (Minister of Public Works): The information requested in 1 (a), (b) and (c) and 2 (a) and (b) is not known.

INVESTIGATION OF PRESENCE IN FLORIDA OF A CANADIAN SENATOR

Question No. 3,582—**Mr. Cossitt:**

1. Did the RCMP examine or investigate any aspects of the presence in Florida of a Canadian Senator and, if so (a) what is the Senator's name (b) on what date (c) did this include specifically the Senator's presence and others in the Senator's company at (i) the Indian Creek County Club in the area of North Miami (ii) the Bonaventure Country Club in Fort Lauderdale?

2. Has such investigation been concluded and (a) if so, on what date (b) if not, is it still in progress?

3. What were the reasons leading to the investigation and will the government make them public?

4. Did any RCMP personnel visit Florida on this matter and, if so, on what dates?

5. What are the names of all persons appearing in any RCMP reports as a result of such investigations?

6. Was the assistance of any United States authorities sought at any time and, if so, what are the details in this regard?

Order Paper Questions

Hon. Warren Allmand (Solicitor General): The fact an investigation is being carried out is public knowledge; however, as it is still in progress, it is not in the public interest to divulge particulars at this time.

ASSIGNMENT OF MR. ROGER DESMARAIS TO MIRABEL AIRPORT

Question No. 3,612—**Mr. Nystrom:**

1. Is Mr. Roger Desmarais, an employee of the Department of Public Works, assigned to the Department's operations at Mirabel Airport and, if so, what is (a) his present classification (b) the job description of his position?

2. How did Mr. Desmarais obtain his present position?

3. Did Mr. Desmarais ever work for the Department of Transport and, if so (a) on what dates and for what period of time (b) in what capacity (c) how did he obtain his positions?

4. On what date and in what capacity was Mr. Desmarais first appointed to the Public Service?

5. Is Mr. Desmarais related to a present member of the Cabinet and, if so (a) to whom (b) what is the relationship?

Hon. Mitchell Sharp (President of the Privy Council): 1. Yes. (a) PM 5 (Term); (b) The MOT staff at Mirabel were all in term positions when transferred to DPW. The organization structure is in the process of review to fit DPW requirements and positions are being described in terms of the new organization. Mr. Desmarais' position is now in the process of evaluation.

2. Mr. Desmarais was appointed to his present position while with MOT and was then transferred to DPW as part of a group when certain functions were transferred from MOT to DPW April 1, 1975.

3. Yes. (a) From September 4, 1973 to April 1, 1975. (b) PM 5 (Term) Property Manager, Field Office. (c) Mr. Desmarais transferred from Indian Affairs & Northern Development to MOT as a PM 5 (Term). Details of competition would have to be obtained from MOT. (Competition 73-MOT-MPP-OP-39 No. 1)

4. Mr. Roger Desmarais was appointed as a Land Acquisition Officer (AS 3) National Parks and Historic Sites Branch of the Department of Indian Affairs and Northern Development, on August 1, 1972.

5. See Beauchesne's Parliamentary Rules and Forms, Fourth Edition, Citation 171 (dd).

RETENTION OF LAWYERS BY DEPARTMENT OF NATIONAL DEFENCE IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,616—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of National Defence during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. James Richardson (Minister of National Defence): 1. None.

2. Not applicable.

[Mr. Cossitt.]

NEW FEDERAL PENITENTIARY IN MISSION, B.C.

Question No. 3,692—**Mr. Reynolds:**

1. What is the estimated cost of the new federal penitentiary in Mission, British Columbia?

2. When is the estimated opening day?

3. (a) What type of penitentiary is it (b) how many prisoners will it hold?

4. Who is the general contractor?

5. (a) Which cement company or companies supplies the cement (b) was the cement put out to tender and, if so, to whom?

6. Has carpet been purchased for the Mission Penitentiary and, if so (a) how much (b) what is the cost?

Hon. Warren Allmand (Solicitor General): 1. Approximately $8,250,000.

2. April 1, 1976.

3. (a) medium security; (b) 180.

4. Bird Construction, Vancouver, B.C.

5. (a) Cement supply source has not been established as this material comes as a component of concrete for foundations and structural work being carried out by the subtrade contractor, Cabott Limited, Vancouver, B.C. (b) The concrete work, with excavation and foundations, was put out to public tender and the work was awarded at $1,110,-155 to the general contractor, Bird Construction.

6. Yes. The general contract awarded for the construction of the Mission, B.C. institution resulted in the purchase of 6,300 yards of carpeting valued at $67,325. As a result of a re-examination of the contract which provided for carpeting of most of the floor space, the Canadian Penitentiary Service ordered carpeting to be limited to offices, hospital and some assembly rooms to reduce noise. Some 2,600 yards of carpeting valued at $37,235 were installed and the remaining portion of the original purchase was placed in storage for future installation in the institution under construction at Kamloops, B.C. and other similar facilities planned for construction.

CHEMICAL AND BIOLOGICAL WARFARE—GUIDELINES

Question No. 3,698—**Mr. Fairweather:**

What are the guidelines for defence research with respect to chemical and biological warfare?

Hon. James Richardson (Minister of National Defence): The guidelines for defence research with respect to chemical and biological warfare were last published as Appendix F to issue No. 18 of the Minutes of the Standing Committee of External Affairs and National Defence, dated March 17, 1970 and have remained unchanged since then.

RETENTION OF LAWYERS BY CANADIAN RADIO-TELEVISION COMMISSION IN CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,730—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Canadian Radio-Television Commission during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Jeanne Sauvé (Minister of Communications): In so far as the Canadian Radio-Television Commission is concerned: Nil.

RETENTION OF LAWYERS BY DEPARTMENT OF NATIONAL DEFENCE IN CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,732—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of National Defence during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. James Richardson (Minister of National Defence): 1. None.

2. Not applicable.

RETENTION OF LAWYERS BY DEPARTMENT OF NATIONAL HEALTH AND WELFARE IN CONSTITUENCY OF OKANAGAN BOUNDARY, B.C.

Question No. 3,737—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of National Health and Welfare during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Nil (Names and addresses of all lawyers and law firms hired as legal agents by the Department of Justice to do work for the Department of National Health and Welfare will be supplied by the Department of Justice.)

2. Not applicable.

DND AIRCRAFT—LORAN NAVIGATION SYSTEMS

Question No. 3,756—**Mr. McKinnon:**

1. How many Loran navigation systems on DND aircraft have been replaced between January 1, 1975 and December 1, 1975?

2. How much did the replacement cost?

Hon. James Richardson (Minister of National Defence): 1. One.

2. $4,200.

NATIONAL DEFENCE—CANCELLATION OF UNDERWATER SENSOR TRIAL INSTALLATION

Question No. 3,779—**Mr. McKinnon:**

Did the Department of National Defence recently cancel an underwater sensor trial installation in Canada's Arctic waters and, if so (a) for what reason (b) how much money was saved (c) is the cancellation of a temporary nature not likely to affect the ultimate use of such devices?

Hon. James Richardson (Minister of National Defence): No. (a), (b) and (c). Not applicable.

Order Paper Questions

LOANS INCURRED BY FEDERAL GOVERNMENT

Question No. 3,800—**Mr. Lambert (Bellechasse):**

1. During the 1974-75 fiscal year, has the government incurred any loans and, if so (a) in what amount (b) were such loans (i) short (ii) long term?

2. In the case of short term loans, what are (a) the amounts (b) the names of the lenders (c) the interest rates (d) the reimbursement terms?

3. In the case of long term loans, what are (a) the amounts (b) the names of the lenders (c) the interest rates (d) the purpose (e) the duration (f) the reimbursement terms (g) are payments made on (i) a monthly (ii) an annual basis?

4. What total amount in interest will the government have to pay for such loans?

Hon. Donald S. Macdonald (Minister of Finance): 1. (a) Gross borrowing totalled $25,374,907,000; (b) Both.

2. Marketable Bonds (a), (c) and (d) Amount, $225 Million, Coupon, 6½ per cent, Maturity, April 1, 1977. Amount, $150 Million, Coupon, 9¼ per cent, Maturity, February 1, 1976. Amount, $600 Million, Coupon, 9¼ per cent, Maturity, February 1, 1977*. Amount, $325 Million, Coupon, 9¼ per cent, Maturity, April 1, 1978**.

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*Exchangeable at the option of the holder on or before November 1, 1976, into an equal par value of 9¼ per cent non-callable bonds due February 1, 1982.

**Exchangeable at the option of the holder on or before January 1, 1978, into an equal par value of 9¼ per cent non-callable bonds due April 1, 1984. These issues are all non-callable before maturity. Treasury Bills: $12,970,000,000 in 91 day treasury bills; $3,315,000,000 in 182 day treasury bills; $625,000,000 364 day treasury bills. The average cost of these bills is: 91 day bills, 7.88 per cent; 182 day bills, 7.87 per cent; 364 day bills, 7.64 per cent. Canada Savings Bonds: $6,157,000,000 9¾ per cent annual coupon with maturity on November 1, 1983, or on demand prior to that date with accrued interest. (b) Not available.

3. (a), (c), (e) and (f) Amount, $325 Million, Coupon, 7¾ per cent, Maturity date, April, 1979. Extendible at the option of the holder in the 6 month period between April 1978, and September 30, 1978, into an equal par value of 8 per cent bonds dated April 1, 1979 and due April 1, 1984. $150, 9½ per cent, June 15, 1994*. $525, 7½ per cent, July 1, 1978. Plus $7,907,000 bonds issued to the Canada Pension Plan. These bonds have coupons ranging from 7.30 per cent to 7.65 per cent. They have a 20 year maturity.

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*The Government of Canada undertakes to use its best efforts to purchase during each quarter of each calendar year to maturity, commencing July 1st, 1974, when available in the open market at prices not exceeding 100 per cent, plus accrued interest, at least three-quarters of one per cent of the principal amount of his issue, except that the Government of Canada may in any quarter of any year apply to this undertaking the purchase of those bonds made during the immediately preceding twelve months and not previously credited. (b) Not available. (d) To redeem maturing bonds and for general purposes of the Government of Canada. (g) Semi annually.

4. Not known.

Order Paper Questions

OCEAN DUMPING CONTROL ACT

Question No. 3,810—**Mr. Marshall:**

1. Which nations have applied for permits under the Ocean Dumping Control Act for (a) general dumping (b) dredging (c) incineration at sea (d) disposal of vessels (e) disposal on ice and, in each case, what are the details of such applications?

2. In what manner does Canada control and prevent the dumping of wastes?

3. Have logistic reports been prepared and, if so, what are the details of such reports?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): 1. To date, there have been no applications for permits under the Ocean Dumping Control Act which originated outside Canada.

2. The requirement to possess a permit, prior to dumping substances at sea, is the primary control mechanism under the Ocean Dumping Control Act. The statute specifies that a comprehensive list of factors be taken into account before such permits are granted. Enforcement is carried out by inspectors who have been appointed under the act.

3. The Ocean Dumping Control Act and Regulations came into force on December 13, 1975, and thus far, there has been insufficient activity to warrant preparation of any logistic reports.

NATIONAL DEFENCE—MANPOWER STRENGTHS CLASSIFICATION BY MOTHER TONGUE

Question No. 3,816—**Mr. Howie:**

How many (a) commissioned officers (b) non-commissioned officers (c) enlisted men are on permanent strength in the Canadian Armed Forces and, in each case, how many are classed as Canadians whose mother tongue is (i) English (ii) French?

Hon. James Richardson (Minister of National Defence): As of December 23, 1975 the data was as follows:

	Mother Tongue		
	English	French	Total
(a) Officers	12,098	2,721	14,819
(b) Non Commissioned Officers (Chief Warrant Officer to Master Corporal)	22,230	4,926	27,156
(c) Men (Corporals and Privates)	25,829	10,140	35,969
	60,157	17,787	77,944

TOLLS—TRENT-SEVERN AND RIDEAU CANAL SYSTEMS

Question No. 3,878—**Mr. Gillies:**

1. In 1975 did the government begin to charge tolls to the users of the Trent-Severn and Rideau Canal systems and, if so (a) what was the capital cost of (i) new buildings (ii) new offices (iii) safes in the various lockmaster's offices (iv) cars for those collecting money at the locks (v) other capital outlay necessitated by the commencement of this practice (b) how many additional persons were employed after the introduction of tolls on the canal systems?

2. Are those employed (a) students (b) part-time help who would not be working during the closed season?

3. How many permits were issued in 1975 and what was the gross revenue from these permits?

4. How many boats locked through the Canals during each year 1974 and 1975?

[Mr. Macdonald (Rosedale).]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. Yes.

	Rideau Canal	Trent Canal
(a) Capital Cost of:		
(i) New Buildings	Nil	Nil
(ii) New Offices	Nil	Nil
(iii) Safes in Lockmaster's Offices	$9,867.00	$7,099.69
(iv) Cars for collecting (rental)	$ 960.00	$4,469.00
(v) Other capital outlay	Nil	Nil
(b) Additional persons employed after introduction of tolls on Canals	19 additional employees recruited for 4.50 man-years	27 additional employees recruited for 3.61 man-years

2. Additional persons employed were:

(a) Students	15	21
(b) Part-Time	4	6

3.

	Permits	Revenue
Trent-Severn Waterway	17,804	$129,019
Rideau Canal	6,380	$ 44,050

4.

	Vessel Movements 1974	Vessel Movements 1975
Trent-Severn Waterway	216,484	167,881
Rideau Canal	72,556	62,984

* * *

QUESTION PASSED AS ORDER FOR RETURN

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 3,141 could be made an order for return, that return would be tabled immediately.

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

[*Text*]

PARRTOWN CORRECTIONAL CENTRE

Question No. 3,141—**Mr. Landers:**

1. How many inmates have been incarcerated in the Parrtown Correctional Centre located in the YMCA in Saint John, New Brunswick, since its opening?

2. (a) Of what crime or crimes were they convicted (b) what length of sentence was imposed in each case?

3. How many were not convicted in Saint John, New Brunswick and, of these, how many were paroled in the Saint John area?

4. Of the total number incarcerated, how many (a) had previous convictions (b) had previously been sentenced to penitentiary terms?

5. How many have been convicted of offences (criminal or drug related) (a) while incarcerated (b) subsequent to their release from this minimum security penitentiary?

6. (a) How many have been unlawfully at large from this institution (b) how many were reported to the police (c) how many were charged in court with being unlawfully at large?

7. Of the inmates who were unlawfully at large pursuant to the Criminal Code of Canada but not charged, how many were sent back to Dorchester Penitentiary or to the medium security institution at Springhill and under what provisions of what legislation?

8. Of the inmates incarcerated, what percentage of each of their total sentences had each served prior to being transferred to the Parrtown Correctional Centre?

9. Have any of the (a) inmates (b) staff of this institution been treated medically for cuts and/or bruises?

Return tabled.

[*English*]

Mr. Speaker: Is it the pleasure of the House that question 3,141 be made an order for return?

Some hon. Members: Agreed.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Cossitt: Mr. Speaker, I rise to draw attention once again to question 69 which was placed on the order paper nearly three calendar years ago, namely, on September 30, 1974. It is a simple question asking for straightforward facts, namely, how many trips the Prime Minister has taken at public expense since October 30, 1972, and, of that total, how many have been trips to political gatherings or for the purposes of private pleasure.

No matter how many times this question is raised, there is never any response from the government or any indication of what has been holding up an answer for almost three years. Every day in the gallery there is a horde of people from the Prime Minister's office who have time to sit up there. I suggest, therefore, that they should have time to go back to their offices and complete the answers to questions asked by members of the House of Commons, so that the people of Canada might have some idea of the facts in relation to matters about which members of the opposition ask.

Some hon. Members: Hear, hear!

Mr. Cossitt: May I conclude by saying this: now, perhaps more than ever, it is important we know something about the Prime Minister's trips as he has obviously become a fellow traveller whom we should be questioning.

* * *

TRANSPORTATION

POLICY STATEMENT ON RAIL PASSENGER SERVICES

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, transportation for people is vitally important in Canada and we believe that Canadians themselves ought to be able to choose the method of travel which suits their own needs from among safe, sound systems. Since transportation is so important a matter for Canadians, we cannot waste our resources on unused, inefficient or duplicated systems.

We have operated extensive rail passenger services in Canada. However, they have been allowed to deteriorate so that Canadians no longer have a fair incentive to use them. This was in no way due to any fault on the part of those who operate the trains, but to a combination of management and government policies which could only produce losses and worsening service. It is my intention today to change that policy as far as the government is concerned and to outline an approach which will provide better service but in a narrower range of areas.

We are very conscious of the impact of these changes, both positive and negative, upon communities and upon the men and women who run our passenger trains. I have begun a process of consultation with their leaders. I plan to continue, and I hope, with the assistance of members of parliament, to consult with the workers and people to be directly affected, to ensure that we understand their views. Where adjustments are necessary, we plan to ensure that they are made with as much sense and sensitivity as possible. I expect, in particular, to develop plans to avoid hardship to workers affected by changes in service.

When the major elements of our transportation policy were announced in June of last year, we stated that Canadians must have an efficient transportation system providing a high degree of accessibility and equity of treatment for all users. Transportation must also support national and regional, social and economic objectives. The new transportation policy recognizes that areas exist where services are well developed and utilized. These services should be operated on a commercially viable basis and fares should be set through the efficient forces of competition and the marketplace. In other areas where services are required for social or developmental purposes but cannot achieve commercial viability, the government is prepared to provide leadership and assistance to develop the best possible level of efficiency.

We also emphasize throughout the new transportation policy that Canadians require the use of highway, rail, marine and air services to provide the best level of services at the lowest total cost, and that these modes of transportation must work together in the roles for which they are best suited. This policy has resulted from extensive consultations with the provinces, industry and labour. It recognizes regional differences and provides a framework in which positive action can be developed to move the commerce of the nation and provide for business and leisure travel.

As our research has progressed over the past year and we have considered the needs and costs of transportation, it has become clear that we cannot afford unnecessary duplication of facilities. This is particularly true at this time of financial restraint. We have also found that bus, air and rail, while they do compete, have distinct markets in which they have special advantages. It is our intention, as we further develop passenger policies, that each mode of transport be given the opportunity to develop these markets. This will provide Canadians with access to acceptable levels of service at the least total cost. Where a subsidy is required in support of regional and national goals, the most economically efficient mode will be used, and the impact of that subsidy on other modes of transport will be considered.

Mr. Speaker, Canadians are not pleased with the railway passenger system as it currently exists. Losses amounted to $167 million in 1974 and they are increasing: they may amount to $400 million by 1980 if changes are not made. We are not alone in the world in this respect. Governments in almost every industrialized nation are wrestling with similar problems of mounting losses. Canada now has more miles of rail passenger services per capita than any other major nation. Many of our services meet high international standards in terms of amenities, speeds and fares. Revenues cover about one-third of the total costs of providing the services. Subsidies provided by the Canadian public

are proportionately higher for passenger trains than they are for other forms of transportation.

● (1510)

The primary reason for this situation is that other forms of transportation, primarily the automobile, have proven more attractive to the public. The impression grew that passenger trains were obsolete and this in turn affected growth and the evolution and development of new equipment and techniques. We are left with a system designed for an earlier Canada.

Consider these examples, Mr. Speaker. About 20 per cent of the services operated carry 10 passengers or less on the average, 55 per cent less 47, or a bus load, and only 35 per cent more than 100. Over the year, only one-third of the seats offered are sold. At daily peak periods, about one-third of the fleet is actually in operation. There are over 2,000 miles of routes where CN and CP duplicate services, and duplicate terminals in many major cities. On transcontinental routes, more subsidy is currently being paid for fist-class services than for basic coach transportation.

One course of action recommended by some is the total elimination of rail passenger services and therefore the losses currently incurred. We believe, however, that rail service can fill a real need at a reasonable cost and that only if the service is desirable and efficient will we be able to test the real and future place for it among Canadians. We believe we can develop a better rail system, thereby avoiding some demands for highways and airports and the use of transportation systems that are less efficient in their use of energy and land.

We believe, Mr. Speaker, that there are potentially three major roles for passenger trains, roles that can be filled at reasonable subsidy levels, provided services are improved and operated efficiently and economically. First are short to medium-distance services between major cities where rail offers the potential of trip times somewhere between those of automobiles, buses and aircraft; second are commuting trips in and about major cities for the movement of large numbers of people; and third are long distance trips across the breadth of the country where trains might provide a higher level of basic service than buses. Rail services should also be continued in those remote areas of our country where no reasonable transportation alternatives exist. These roles recognize the ability of trains to carry large numbers of people, to require minimum amounts of new land and, if well patronized and efficiently operated, to make good use of energy. Procedures are being established to determine the public's interest in improving these services.

However, Mr. Speaker, on some routes in Canada passenger trains do not serve the public well. In our view, bus and air transportation can often provide the public with better quality and more frequent services at lower cost. It is the government's intention to encourage the development of these services to replace passenger trains on routes where trains are poorly suited to the market or poorly patronized.

It is our intention to work toward an economically and socially justified national network of rail services. We propose that a basic network of intercity, transcontinental and commuter services, co-ordinated with air and bus service where possible, be implemented. This will provide Canadians with an opportunity to respond to improved services and for us to understand the nature and degree of this response.

Our work is also progressing on the project to upgrade service in the Windsor-Quebec corridor. This comparatively high volume market appears to have the potential for supporting a better service. Our understanding of the costs and markets has been significantly improved since the announcement of this project, and we have begun discussions with the provinces and the carriers on the potential improvements and the phasing of changes so that safety, speed, comfort, service and costs can all be developed to meet demand. We plan, if possible, to begin upgrading the service in the near future and, depending on negotiations, to announce shortly full details of a plan that will see new equipment operating at higher standards by 1979.

The rail passenger program we are proposing is an open consultative process which my statement today formally launches. We propose active consultations with the provincial governments in the planning of regionally-based passenger services, with labour representatives to ensure the best use of the valuable human resources involved, with industry, with the railroads, with other carriers and with the public at large. The government is asking the Canadian Transport Commission to hold hearings within the framework established by these policies and guidelines to determine public interests and concerns. To implement this phase of the program, Mr. Speaker, I will be tabling directives for the guidance of the Canadian Transport Commission. In parallel, Transport Canada will itself consult with carriers, labour, provinces and others concerning their areas of interest and concern. This work will form the basis for plans for the introduction of an improved basic network of rail services in Canada. As service improvements are implemented and subsidy per passenger decreased, the government is prepared to increase its subsidy from 80 per cent of losses to 100 per cent of losses provided that efficiency in management and operations can be demonstrated.

The purpose of this program, Mr. Speaker, is to create a transport system that supports economic and social goals on both national and regional levels. We will now expect Canadian National, Canadian Pacific and others to make management decisions to improve services. We also see these carriers making joint use of terminals and reservation systems, making schedules more sensitive to the regional markets, developing systems to change holiday and weekend demand so that most of the carriers' equipment is used on a continuing basis rather than on the few peak days per year, co-ordinating schedules between air, bus and rail to remove long stopovers, developing the demonstration project to evaluate advanced rail technology, furthering research in necessary roadbed improvements, and embarking on innovative passenger service marketing.

Through this approach we are giving the railways an opportunity to develop rail passenger services to serve markets willing to use and pay for the services. They will be asked to develop a system, with our assistance, that will better serve people who wish to use rail, and remove services that are unnecessary. Their challenge is to

improve service and operations by joint action where necessary, but under normal rail management. If the attractiveness and efficiency of service is not improved rapidly, we will have to consider another organization to provide rail passenger service in Canada.

In outlining this program, Mr. Speaker, we have presented a part of our passenger program. We announced last year that, starting in 1977, $100 million will be spent over five years in the purchase of rail commuter equipment. These two programs are integral parts of a series of initiatives that are being developed to assure that a total passenger policy meets our national and regional goals.

It is our intention to pursue improvements in the attractiveness, efficiency and economy of passenger trains in roles for which they are well suited and can be well patronized. In roles where passenger trains are poorly suited to the market or poorly patronized, our intention is to encourage other modes to replace them. In this manner we plan to improve transportation for Canadians and to control the deficits that are growing beyond acceptable levels. I emphasize that in doing this we seek the advice and the cooperation of the public, carriers, labour and the provinces.

In conclusion, Mr. Speaker, I should now like to table the following: a directive for the guidance of the Canadian Transport Commission on rail passenger services; a report on "Canadian Passenger Rail Services"; a report on "Technology and Productivity in Passenger Transportation"; and a paper on "A Canadian Rail Passenger Program".

Mr. Jack Murta (Lisgar): Mr. Speaker, I will try to be as brief as the minsiter was, but the whole question of rail passenger transportation can take up a good deal of time in the House of Commons. Before I start, may I commend the minister—perhaps this is the only time I will commend him this afternoon—for giving us adequate notice of his statement; I think all opposition parties appreciate that.

● (1520)

In alluding to the statement made by the minister and the build-up that has taken place in the press over the past few weeks about a major statement on rail line policy, I think we can say, firstly, that the statement just read by the minister is a flop. In my opinion, the government certainly has attempted to gloss over, in this statement, its real aims and objectives. I think this statement is significant for what it does not say, rather than for what it does say.

The government apparently has accepted the status quo as the basis for its rationale behind the whole program. I think that is unacceptable and wrong at the present time. Obviously, the government does not intend to improve train service generally in Canada, according to the statement. There is nothing specific about buying equipment other than the $100 million promised last year which is to be spread over a five-year period, and there is nothing specific in the minister's statement about investment on capital. That is also significant.

Perhaps we can draw some parallel with the airlines. I do not think many people in this country want to fly on 25-year-old aircraft which do not have proper scheduling. The parallel could be drawn in respect of passenger rail service, and the minister has not addressed himself to this specific question. His statement in general will only heighten fears in respect of the intended demise of rail passenger services in this country.

I should like to back up my statement, and statements by many people in the country, as far as fears are concerned by reading briefly from a copy of a cabinet document that was issued in Ottawa. This is a confidential document that went to cabinet. I think it reveals more clearly the minister's thinking than does the minister's statement. Quite a bit of what the minister said in his statement is in this document, but he left out some rather important specifics. I would challenge the minister by suggesting that some of these specifics indicate what the CTC, in effect, is going to do.

This document says, in respect of the rationalization concept, that the government intends to propose a concept of three main elements, one being a western network of through services comprising a single main route between Toronto, Montreal and Vancouver, with connecting services as necessary; an improved central network between Quebec and Windsor, including connecting services; and an Atlantic network of through services comprising a single main route east from Montreal, with connecting services as necessary. The document goes on to state:

> It is proposed to work toward this revitalized basic network over a period of approximately three years which would allow for a series of public hearings before the CTC and provide time for implementation of the basic network and connecting services following hearing conclusions.

This certainly shows that at least the cabinet, if not the government, has made up its mind as to what it intends to do as far as rail passengers are concerned. This so-called revitalization, in the opinion of a lot of people, should be called destruction. The minister did not mention two of the things that people will be very concerned about. I read again from the policy document, which states:

> —given the potential of the Quebec-Windsor corridor and decisions to improve rail passenger services there, the western and maritime regions may express concern that central Canada is to be benefited preferentially—

I think that may be an understatement.

Some hon. Members: Hear, hear!

Mr. Murta: The other point that I think bears mentioning is the following statement in this document:

> —there are 96,000 railway union members with 12,000-15,000 man-years in passenger rail services. Although a carefully staged and implemented plan of revitalization can be devised which would affect a relatively small number of jobs—possibly under 1,000—employees will be concerned about the revitalized network and the effect on their positions.

That is also an understatement. In speaking with people in the railway business, I find them talking in terms of many thousands of people who will be either directly, or certainly indirectly, affected. The statement continues:

> The most likely result of following this guideline will be the selection of the present CNR lines between Montreal-Toronto and Sudbury and of the CPR line from Sudbury to Vancouver.

The statement goes on to say, as the minister has mentioned, that the Quebec-Windsor corridor will come up for analysis and that city pairs may be considered such as Toronto-Windsor, Quebec-Montreal and Ottawa-Toronto.

In recommendations in this statement we find the following:

—the replacement of present CNR and CPR transcontinental and maritime services by single route services—

The minister never mentioned that. If he does not intend such a move in that direction, I wish he would say so. The statement continues:

These services to involve the reduction or elimination of sleeper cars unless at full cost recovery rates and/or the use of railway hotels to the extent feasible to minimize the sleeper car problem—

This is ridiculous, and the minister and MOT officials should know it.

Mr. Fairweather: Are they going to put wheels under the hotels?

Mr. Murta: What is indicated is that ultimately, if we are going to travel on the railways, we will certainly be staying at railway hotels. Running through the document is a direct indication that the government has made up its mind to downgrade rail passenger services, and that downgrading appears to be a psychological expression of the kind of thinking at the present time in the Ministry of Transport.

As I said before, the minister's statement is significant in what it did not say, rather than what it said. I am not going to deal with all the election promises made, but the minister in charge of the Wheat Board probably campaigned with some of these same election promises. On June 18, 1974, in Cornwall, the Prime Minister (Mr. Trudeau) announced that the Liberal government, if re-elected, would take over all national passenger services operated by Canadian National Railways and Canadian Pacific Railway. The Prime Minister talked about forming a corporation and a piggyback service on our transcontinental line. I submit to you, Mr. Speaker, that the government had no intention whatsoever of implementing these kinds of proposals. These were strictly political window-dressing to seduce voters at the time of the last election.

I know my time is limited, Mr. Speaker, but I should like to mention the kind of thinking that takes place in the Ministry of Transport. We in this country are apparently to have airports coming out of our ears. We spent $1.45 billion on the airport at Mirabel. Although the Pickering airport was scrapped, or has been postponed, it was going to cost us another $400 million. The Malton terminal 2 building cost us $42 million in 1973 and a parking extension cost us $125 million. We have all this, yet the department is not putting any money into existing facilities in order to fix up rail passenger services in this country.

STOL is a perfect example of the kind of blind-headed philosophy the Minister of Transport (Mr. Lang) and the government have at the present time. It is running at a deficit, and would have been running at a much larger deficit were it not for the fact that civil servants have been instructed to use this facility between Ottawa and Montreal.

The minister mentioned the user pay concept this afternoon, and I suggest we will hear a lot more about this concept in the future. The minister, his deputies and officials in MOT should know that there is no form of transportation, no matter what it is, that operates on a strictly user pay concept, and to single out railways and railway passenger service is a red herring. To do that in this case is totally unrealistic and I do not believe the Canadian public will swallow it.

It is interesting to note, when we talk about psychology, that maybe one of the reasons behind this rather blind-sided policy is the fact that in the past two or three years there have been over 40 studies carried out on all aspects of rail passenger service. In 1970 there was a CTC study of intercity passenger transportation which concluded that it was possible to upgrade the Montreal-Toronto rail route so as to provide a good, three-hour rail service between the two cities. In 1972 an MOT and railways study recommended the nationalization of all maritime rail passenger services. The study supposedly forecast annual savings of up to $8 million. In 1973 there was a study which indicated that through the use of LRC-type trains it would be possible to provide a one hour and fifteen minute service between Montreal and Ottawa, and that the service could possibly make a profit.

● (1530)

The studies continued until the last one, in October, 1975. At that time three new studies were started by MOT. One heading is, "What is equity service for bus, rail and air?" That study was by the MOT task force. Another study was headed, "Passenger transportation work program". That was conducted by MOT's passenger core group. Another was, "Possible improvements to rail passenger services in the corridor". That, too, was carried out by MOT's policy, planning and major projects group with the participation of CNR and CPR. The list goes on and on. The government continually has put its rail passenger transportation policies in some desk or on some shelf in the minister's office, in the deputy minister's office or somewhere in the Ministry of Transport.

In conclusion, I should like to say that in my opinion the government will regret the day it made this kind of a decision, for two reasons. First, there is the energy aspect and, second, there is the pollution aspect. Neither the minister nor anyone else can deny that the most efficient use of energy is for a reasonable, efficient and comfortable train system in this country. As we move into the latter part of the 1970s and the early 1980s, pollution will become more of a problem. I predict that within ten years we will come to the House of Commons and ask for a revitalized railway program something similar to the program which the Americans have at the present time. At that time, such a program will cost us hundreds of millions of dollars and we will have wasted much time, talent and energy.

I would hope the Canadian people would react somewhat violently to the proposals of the minister. In my opinion, the government has made the decision to cut down rail passenger service and will ask the CTC to ratify that decision through some kind of democratic process such as the minister described. This certainly will not be acceptable to this party.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, after many statements and announcements made over many months by this minister, his predecessor and the Prime Minister (Mr. Trudeau), in and out of and during election campaigns, and since there has been a build-up of

expectation in the minds of the Canadian people that today we would hear an announcement of specific and solid policy whether we like it or not, that we would hear a decision had been made and specific action would be taken, we have today's statement. Instead of an announcement of specific and solid policy, we received from the same people who brought us the anti-inflation program—after they had given themselves a salary increase of $4,000 or $6,000—a transportation statement that does not meet the expectations I have mentioned. It repeats what we have heard dozens of times before. It is based on assumptions and conclusions that are false or, at best, misleading.

The hon. member for Lisgar (Mr. Murta) mentioned—and I repeat it—that on June 7, 1974, the Prime Minister said that wage and price controls were too simplistic, too disastrous, in economic and social terms, to consider. On June 18, the Liberal party promised a revitalized intercity passenger rail service for Canada. They promised measures to encourage and facilitate Canadian design and production of quality intercity passenger service vehicles, systems, equipment and machinery. They promised a Canadian passenger transport corporation whose first priority would be to work on the introduction of high-speed passenger rail service in Canada. They even promised excursion trains across the country.

However, today the minister announces, in effect, the curtailment of rail passenger service. In spite of all the platitudes and phrases in that statement, in effect that is what he is announcing. What is at question no longer is the integrity of the minister, the Prime Minister or the government but, rather, their fitness to govern and their ability to cope with a modern economy with a modern transportation system.

The former minister described transportation in this country as a mess. He said that competition does not work. We are still in the same mess, and the same competition does not work. Today I am reminded of the stories—and they are accurate—that are told about old Bob Edwards when he ran the *Calgary Eye-Opener*. When Bob Edwards ran that newspaper he carried on a running battle with the CPR. Every time there was a CPR wreck, he put a photograph of the wreck on the front page of the paper.

When R. B. Bennett, who was legal counsel for the Canadian Pacific Railway, became leader of the Conservative party, Bob Edwards published a front page picture of R. B. Bennett in the *Calgary Eye-Opener* with the caption underneath "Another CPR wreck". Now, I would suggest to the media, they should publish a photograph of the Minister of Transport (Mr. Lang) on the front page of the newspapers across this country and call it "Another CPR wreck".

The minister, on the first page of his statement, made a major concession about what members of this House and members of the public have been saying for years: he said that the railways have been allowed to deteriorate so that Canadians no longer have a fair incentive to use them. That is true. Then he said:

> This was in no way due to any default on the part of those who actually operate the trains but to a combination of management and government policies which could only produce losses and worsening service.

Nowhere in this statement does the minister propose to correct those services. In no way does he propose to change the policies which he admits produced losses and worsening of service. Now that we have the confession on page one, the Minister of Transport goes on to say:

> These services should be operated on a commercially viable basis, and fares should be set through the efficient forces of competition and the marketplace.

Mr. Speaker, that is what got us into this mess in the first place. One has only to look at a newpaper article in the *Financial Post* of January 17, where the minister is reported as saying: "That the user should pay is the key". If that is true, we not only kiss the railways goodbye but I ask the minister whether he is now saying that the users of Air Canada, CPR and the other airlines in this country will pick up the $600 million deficit, which will be the case for 1974-75, for the provision of air transportation services by the Government of Canada.

Is he also saying that the users of buses, which the government and the experts in the minister's department claim are paying their own way, will now be required to pay their own way? For example, there was a deficit last year of $1.2 billion, in terms of the revenue received and cost paid for the highway system in this country. So if the users are to pay, the minister has more bad news for many people.

● (1540)

Is the minister saying that the St. Lawrence Seaway deficit will be picked up by the users only? Is he saying that the tens of million of dollars in deficits in the operation of our harbours and ports will now be picked up entirely by the users? Mr. Speaker, if you think there was a mess before under the former minister of transport, can you visualize what is coming?

The minister's statement perpetuates the old problems. Successive governments, in preparing our transportation policy, have refused to take into account Canada's geography, its climate and the location of its people. This government continues to refuse to recognize these factors in transportation, which is an essential public service which everyone has to use. This service can no longer be operated under nineteenth century concepts of profitability, commercial viability and competition. That has gone out of style and out of existence; it is irrelevant and obsolete. Talk to the people of countries in Europe, talk to the Japanese, the Australians, and now even the Americans with their beginnings of a new railway transportation system: the are now admitting what European countries admitted 30 years ago, namely, that competition and profitability in the provision of an essential public service have no place in a decent society which needs transportation services to meet the needs of the population.

If what the minister says about competition, commercial viability and that only the user shall pay, is logical, then it would be equally logical to have two competing sewer systems and two competing water lines running under our streets; it would be logical to have two competing telephone systems and power lines. The principles of competition and commercial viability were thrown out of the window 100 years ago, but this economic transportation dinosaur still clutches onto this nineteenth century con-

cept. While he was riding around in his executive jet at the taxpayers' expense between here and Saskatoon, while Joe Citizen pays $250 to fly between Regina, Saskatoon and Ottawa, he and his experts dreamed up today's announcement.

As I mentioned, the minister complained about the subsidy of $167 million for railroads which could amount to $400 million by 1980. There was no mention of an elitist attitude and the cause of it, on the part of the government, with regard to the $600 million we will have to fork over to keep our airlines flying. No mention was made by the minister of the nonsense, the inefficiencies and the economic system of flying DC-8s and DC-9s between Calgary and Edmonton, Montreal and Ottawa, and Montreal and Toronto. It is stupid and wasteful, and in the long run it is not time saving. From downtown Ottawa to downtown Montreal, I submit, it is as fast, if not faster, to travel by rail than to fly, and the ratio of energy consumption should be sufficient to convince even the minister and the government that rail transportation must receive priority and transportation by bus and airlines should be integrated into a central transportation service. Surely the minister should decide on such a system, in the name of energy savings, pollution protection, convenience and safety.

If you consider the energy use ratio in trips from one to 500 miles, with 1 as the ratio for trains, it is 2.2 for the Dash 7, which can only carry 10 or 11 deputy ministers, and 5 for a DC-9. That should be sufficient ground in itself for the government to give priority to rail transportation and to integrate bus services, city transit services and airline services into the central part of our transportation system, namely, the railroads.

The minister says that the subsidies provided by Canadian are proportionately higher for passenger trains than for other forms of transportation. That is a lie.

An hon. Member: Shame.

An hon. Member: It's a shame you should use that term.

Mr. Benjamin: The minister recognizes the ability of trains to carry greater numbers of people, requiring minimum amounts of land. I should like to remind the House of the 93,000 acres of land taken over by the government for Mirabel. People in the Toronto area are away ahead of the minister. They said "No" to the 17,000 or 18,000 acres of land for Pickering, and they made it very plain.

While the minister admits that from the point of view of the use of land, the rail system is best, he continues to advocate policies requiring the curtailment of rail services, and in fact considers that "little dumps" like Edmonton and Saskatoon should not have a transcontinental rail service. "Who do the people of Saskatoon think they are, that they should have a transcontinental rail service?"—that is what the minister and his experts think.

The minister's announcement means nothing more than the perpetuation of what we have had for decades. It means policies which will continue to discriminate against Canadians because of where they happen to live. I want to conclude by saying that since transportation is a public service and a public utility which everyone has to use, it should be—as is the case in dozens of countries of all political stripes—publicly owned, controlled and operated.

[Mr. Benjamin.]

That service, under public control and ownership, should integrate all modes of transportation; but we submit that it must have as its first priority the provision of service, and it should provide maximum access to people all over the country as a matter of right, and not a privilege.

We consider that all other modes of transportation must be integrated with, and ancillary to, the essential ingredient in our transportation system, namely, the railways. Unless and until this or any other government of Canada does that, we will continue to have an inefficient transportation system. The announcement made by the minister today has provided no assurance that anything will be changed. To the contrary, it will increase the amount of terror in the minds and hearts of the people of Canada in terms of what is in store for them regarding the provision of transportation and what it will cost them.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I have listened very carefully to the statement of the minister, but still with very much scepticism because if everything that has been said in the speeches made here these last ten years on the question of improving our transportation had materialized, Canada would have the best transport system in the world. I have a very good memory of the famous statements of the former Minister of Transport, who wanted to renovate everything and who in fact has not renovated anything at all. The best evidence is that he is now in charge of another department, namely environment. I hope that in his new department he would have people clean all the stations which have been boarded up as a result of mismanagement and which are falling apart while people talk about renovation.

Today the minister tells us: We are going to have regional studies. But who will be in charge? The minister says nothing about that. Will he still send groups of technocrats from big cities to study, for instance, the Saguenay-Lac-Saint-Jean region so that they can impose their conditions? Mr. Speaker, if such are the wishes of the minister, he should forget about these studies. If he really wishes to be serious, he should come and talk to the people of the area, and organize meetings and discussions on the best way to renovate our transport systems. The approach then would be realistic as it would mean talking with local people, residents and railway employees. I submit that this would be the first step in dealing with the service the minister recommends. But if on the other hand he still relies on a kind of ever burgeoning bureaucracy while maintenance staff decreases proportionally, then the minister is once more going to miss the boat—

An hon. Member: The train!

Mr. Gauthier (Roberval): —and there will not be any serious change. Like all his other predecessors, he wants to suppress some lines of passenger trains. Passengers are always victimized, as if they were not part of the railway service, so entitled to get services as taxpayers. We have nothing against freight service. Freight is a very profitable activity in our area. But for 15 years now we have been told that our passenger service was going to end and our people are very upset by this eventuality.

It is my opinion that with serious surveys, it is possible to prove that a passenger service, not the one that we have now, which is completely obsolete, but a really efficient one will attract a great deal of customers, because I remind you, Mr. Speaker, that I have been travelling by train for these last 15 years.

● (1550)

We hear people who after their second or third trip by train say on their arrival: "They had me once, but never ever again." Well, this means that service or safety is deficient. We noted again this winter a lack of safety and I will return to the matter later. The minister has stated once more that he will close some lines. Perhaps some of them ought to be cancelled. However, in areas where it is the only reliable means of transport available, closing those lines should be out of question. The withdrawal of sleeping cars has also been mentioned. The minister is trying to justify himself because for years now I found that the railway company was merely interested in its hotel system. It would then be easier to fill those hotels set up throughout Canada and worth umpteen million dollars. It is likely that they were beginning to empty, so trains would stop there and passengers would have to stay overnight in hotels and be fed. He may be right on this account if he wants to save these hotels.

Now, we are wondering about offices. I live in the Saguenay-Lac-Saint-Jean area. A few years ago, you may recall that the servocentre campaign was launched. One was created in Jonquière and another in Saint-Félicien. Now, they want to close the latter and maintain the former, which was built, it has to be said, at the cost of millions of dollars, while I always stressed that Jonquière was not the proper site for a servocentre. The central junction should have been Chibougamau, the Dolbeau junction. The Jonquière junction was at Chambord. But the officials in Montreal have never been able to understand that. Never. Today, they realize, after spending a great deal of money that the Saint-Félicien servocentre is not longer any good. After three, four or five years, it is no longer any good. They are looking towards Jonquière to build some extensions. After having bought warehouses which are no longer used, they have to rent them to the City of Jonquière to get rid of them, and it is impossible to come back to the central point. I call the minister's attention to this problem so that when he will commission studies in our area his research workers will geographically locate the central point of the area. They will find that will reduce expenses first of all and then improve the services. The railway will then be able to tell the population that they provide good services, and not services like the ones we have had those last few years and again this winter.

This winter, Mr. Speaker, passengers from Chambord have travelled aboard a non heated train at temperatures of 40 below zero. The train had to go to Montreal without any heat because there is no more service in Chambord. Previously there was some storage, repairs could be done, there was a garage, but there is nothing of that today. They have to go to Montreal to have a pump repaired. So all passengers had to wrap themselves up in blankets on their way to Montreal. That happened three or four times, that I know of. It happens again and again, and nobody wants to correct it. Engines stay outdoors during winter because there is no garage. There are garages, yes, three beautiful garages, but they are closed. They are not heated. Engines are covered with ice. Then they start for Montreal. They use hammers to break the ice. They they start for Montreal. One engineer told me recently: To go up to Chibougamau, we use five engines, and we come back with one or two, because the others are all broken. There are no maintenance men left. The service no longer works. These things must be known, but nobody talks about them. How can you expect improvements?

Moreover, those who might speak up cannot do so because they stand to lose their jobs; and so it goes. Does anyone believe the people who took the train this winter will do so again next winter? Never, no, never! Yet, that run could so easily be improved. Unfortunately, it takes 12, 18 and even 20 hours to get to Montreal when, with a normal train, it could easily be done in six. I would even say, very easily; every engineer says so.

So, what is the problem? At every turn, you see a little inspector of 24 or 25, fresh out of school, coming to impose new rules upon old employees who know ten times as much as he does. To my mind, someone will have to start using his brains and put an end to the game of the small bureaucrat. The government will have to come out of its lethargy, quit putting its trust in those people and try to appoint people who are serious enough to be capable of giving the services needed by the people.

In summary, Mr. Speaker, because I would not like to be too long, all we want is good service. One would believe that government officials, especially those of the railway company, have forgotten above all that the railroad is paid by taxpayers and that in return they have to provide the necessary services to the population. This is all forgotten. In my opinion, the word "service" has been forgotten. It is far away from their minds.

When you think of services, you have to think of prices. To rent a regular small bed, it now costs $17. I cannot see a journeyman going to Montreal who can afford the luxury of a bed which costs $34 return, apart from his ticket. Prices must therefore be in line with services. Finally, safety must be provided. The passenger must feel safe. There should not be any events, like those we experienced last winter. However, I talked about it before the House, but nothin was changed. We have the oldest cars of the area, and they blame people for not taking the train.

But I can very well understand why a person who has taken the train once won't do it again.

Therefore I ask the minister to have his officials examine this matter, in order to provide people with modern travelling carriages and later to appoint responsible people, local people, to advise him. Local officials will be able to help him if he wishes to do a good job. On the other hand if he only wishes to follow the path of the former ministers who have preceded him, we must expect the same disappointments we are experiencing now.

Mr. Speaker, I wish to thank the minister for having the courage to ouline his policy for us and we are awaiting the results.

Transportation

● (1600)

[*English*]

Mr. Stanfield: Mr. Speaker, I should like to direct a very frank question to the Minister of Transport. What has happened to the very fine proposals made by the Prime Minister and members of the government during the election campaign with regard to railway transportation services? May I very pointedly ask the minister whether the position he outlined in very general terms this afternoon is worthy of any more credence and can be relied upon any more than the apparently ill-considered proposals made by his leader during the election campaign?

Mr. Lang: Mr. Speaker, I did indicate in the course of the statement this afternoon that it was part of many aspects of transportation announcements including, for instance, one on the demonstration project which will be forthcoming later, and the one with regard to commuters which was made earlier. I regret that hon. members opposite have been misled by the comments of their colleagues, and missed the point of this announcement to revitalize rail passenger service in Canada in a very fundamental way which changes the downgraded approach which the 80 per cent subsidy led to in the railway system. Going toward a system where we are prepared to pay the full costs of an operating system will tend to assure those innovations and investment of capital which are necessary if railway systems in Canada are to survive with passengers.

Mr. Broadbent: Mr. Speaker, since the minister's statement was as free of specifics in transportation as was the statement of the Minister of the Environment earlier today free of specifics in environmental matters, with reference to the point the minister just made I would ask if the government is saying it will pay up to 100 per cent subsidy for passenger travel, as opposed to 80 per cent. If he is talking about a lot of passenger service, that would mean a lot, but as I am sure the minister would agree that if he was talking about the railway service from Oshawa to Toronto and abandoning everything else, it would mean absolutely nothing. That is where the House seems to rest today. Could the minister indicate precisely what the government has in mind? Does it intend to apply the principle, which sounds good, to all passenger service across Canada, to passenger service between major centres or intra-urban passenger transportation?

Mr. Lang: Mr. Speaker, we have wanted, of course, to allow for the kinds of examination and consultation which can go on through CTC procedures. Hon. members opposite would certainly have criticized if we had today laid before the House a blueprint of exactly which lines were to stay and which ones were to go, without that process of consultation. Given that limitation, the statement has indicated quite clearly our view that there is a place for a transcontinental service which is a very important, basic network part of the system.

Mr. Broadbent: With 100 per cent subsidy?

Mr. Lang: Yes, with 100 per cent subsidy. There should be tributaries to it and many of those may well be rail, although in some cases it will be found better to have bus links rather than rail links from certain parts of the country leading into that system. It indicates that we believe in intercity rail transportation between major pairs of cities, in addition, that is, to the transcontinental service, and that we also believe that in regard to remote areas there are places where these services have to be maintained. That is the broad picture. Short of actually drawing a map of our own view of how that will look, that is as precise as we can be.

In each of those cases, what we are talking about is a revitalized rail system, marketed well, properly capitalized, running efficiently and well, which will attract back those passengers who, when they are there, provide the only way the rail system can be really economic in terms of energy. Not empty trains, but full trains, are economic in terms of energy.

Mr. Murta: Mr. Speaker, I should like to make a comment and ask a question of the Minister of Transport.

Mr. Speaker: Order, please. I think we have had excessive comment. I would appreciate it if the hon. member would just ask his question.

Mr. Murta: Very well, Mr. Speaker, I will refrain from comment. Whether the subsidy is 80 per cent or 100 per cent, does the minister not agree that there will not be any benefit unless there is a guarantee or incentive for the railways to modernize their equipment? The present 80 per cent subsidy has not worked, and I suggest the 100 per cent subsidy will not work either. That is the first question. If I may ask a second question, then I will sit down and that will be my limited contribution.

It takes between three and five years lead time, with regard to rolling stock for railways, from when it is ordered until it is received. If we are to have modernization of the rail passenger service in Canada before the end of the seventies, the equipment must be ordered now. May I ask the minister why there was no mention in his statement of the modernization of existing equipment for the existing system?

Mr. Lang: Mr. Speaker, there was the indication that we will expect the railways, with the 100 per cent subsidy, to go in for the proper kind of equipment. We will expect those orders to be placed progressively now. There is already a broad outline of the kind of basic system it will be, without the final detail in regard to all the miles involved. I believe that we can devise a system, and the statement indicates our view that the 100 per cent subsidy will be connected to an incentive to management and an assurance of proper management techniques.

I would draw to the attention of the hon. member the very important distinction between a basic 100 per cent subsidy which is properly paid and the situation where the railways do not lose some additional money of their own, as it were, on every bit of loss—which is the current system—which leads them to want to minimize losses but very often this is done by minimizing services. That is what we want to remove in the new, revitalized system.

Mr. Beatty: May I ask the minister the implications of today's statement with regard to the possible reinstatement of railway passenger service on the six lines of

[Mr. Gauthier (Roberval).]

railway in southwestern Ontario on which passenger service was discontinued some five years ago by the CTC?

Mr. Lang: Mr. Speaker, I think it is a very pertinent aspect of our new view of rail passenger travel that we see that the proven use of those services between city pairs, when those services are properly organized and properly put in place, may well lead to the reintroduction of services between city pairs where that service does not now exist.

Mr. Nystrom: Mr. Speaker, my question arises out of the fact that there is a large Canadian National terminal in my riding which employs 600 or 700 people. There is considerable concern about the possible negative effect on employment at that terminal. Could I have an assurance from the minister that the ramifications of the program he has announced will not result in a loss of jobs? My second question arises from the statement of the hon. member for Lisgar, that the possibility of discontinuance of the transcontinental service by the CNR is a real possibility. Will that service continue? Can the minister make that comment as well, for the sake of those employed by the railroad in my constituency?

● (1610)

Mr. Lang: Mr. Speaker, I cannot give precise indications of what the results of the deliberations of the Canadian Transport Commission will be with regard to which particular services will best provide passenger travel across this nation from the Atlantic coast to the Pacific coast. What I can say, however, is that this is in no way to be thought of as a point of time in which railway service in total in Canada will diminish. On the contrary, in western Canada in particular there is a vast increase in freight projected to move across our railways. Therefore, there is a corresponding need for people to fill jobs in the railway service.

Of course, a change in passenger service to freight service does have implications for jobs and adjustment, and has some real difficulties. I indicated in my statement a real concern about that matter. In my meeting with union leaders yesterday, I indicated I will want to be following that up, with the particular question of who might be affected, well in advance of the actual decisions, so we can attempt to make sure the adjustment is as easy as possible.

Mr. Hamilton (Swift Current-Maple Creek): Mr. Speaker, I wish to ask the minister whether there have been full discussions with the railways about this statement, and whether they are in general agreement with the policy outlined today.

Mr. Lang: Mr. Speaker, we had a discussion with the railway presidents yesterday just after my meeting with the union leaders. I leave it to them to indicate their reaction to it.

Mr. Roche: Mr. Speaker, I wish to ask the minister whether he is aware of the hatchet job he is doing on the city of Edmonton by removing transcontinental passenger service from the fifth largest city in Canada, without any consultation with the city administration in order to learn of the crippling effect this policy will have on a community built up on rail service for decades. Second, there is the chaotic effect on Jasper which last year was visited by 27,000 tourists who got there by rail.

Mr. Lang: Mr. Speaker, I really wish the hon. member would not give credence to that kind of possibility at this stage, in view of the fact that the very process we have started is consultation, particularly through the CTC hearings, and the consideration that will then be given by the CTC to this whole question of what is the real requirement for passenger service and what alternatives there are to best provide service to the various parts of this country.

Mr. Roche: Is the minister saying that in this process of consultation he is opening up, through the CTC, the question that if the protest from Edmonton and Western Canada is strong enough against cancellation of passenger service, the policy he announced today will be rescinded or cut back?

Mr. Lang: Mr. Speaker, what should be observed is that we will surely want a reasoned analysis of the genuine needs of people for services and the way those needs can be served with no undue waste of money, which, after all, is very important since we can use it so effectively in other ways for Canadians, rather than waste it. We may yet see a spine of service, with tributaries to it, as being far more effective and giving the service to people that is required without having a complete duplication of service in all regions of the country. This is exactly what is proposed to be studied.

Mr. McCleave: Mr. Speaker, my question for the Minister of Transport arises out of the fact there are now three main lines going into Atlantic Canada. Does the government directive to the Canadian Transport Commission mean that one or more of these three lines will, in effect, be lost?

Mr. Lang: Mr. Speaker, it is likely that one, with tributary services, will be the end result of this process.

Mr. Rodriguez: Mr. Speaker, even as we are here today in the House of Commons the CNR is taking steps to cause hardships with regard to its passenger service on the Supercontinental. For example, the dining car between Capreol and Winnipeg has been removed; sleeping cars have been removed; the price of a sandwich has been raised to 90 cents. Can the minister assure us that he will forthwith inform the CNR that they are not to embark upon any of these inconveniences to passengers which discourage them from using that service?

Mr. Lang: Mr. Speaker, it is not ordinarily my practice or intention to interfere with the day to day management and operation of that Crown corporation or, indeed, any others under my responsibility. Hon. members should appreciate the very high cost of some of these services which are being provided. Just as with first-class, higher income air travellers, so, too, with the higher income first-class rail travel there is a real question. I ask it: Why should the people of Canada generally pay such significant amounts for the travel amenities of these people when others travelling coach-class, and certainly by bus, pay their own way?

Mr. Speaker: Order, please. I do not want to limit the questioning unduly. I have been attempting to see every member who wants to ask a question and restricting him to one question unless a supplementary seems necessary. It seems that all parties would be adequately represented and most desires met if we were to conclude the questioning by recognizing the hon. member for Frontenac-Lennox and Addington, the hon. member for Kootenay West, the hon. member for Fraser Valley West, and the hon. member for Winnipeg North Centre.

Mr. Alkenbrack: Mr. Speaker, my question arises out of a condition that has existed for many years in rail passenger service between the capital city of Ottawa and Toronto. I have raised this question in the House twice in the past three years. The CNR has been running their train from Toronto to Brockville and renting trackage from the CPR from Brockville to Ottawa, although the shortest distance between the capital and Toronto is by way of the Smiths Falls subdivision to Napanee and west on the main line. Will the minister look into the great waste of money and inefficiency that is occasioned thereby, so that under his new policy the publicly-owned line will be used between here and Toronto by way of Smiths Falls and Napanee? That would preclude having to rent trackage from CPR.

Mr. Lang: Mr. Speaker, I will be glad to request an explanation about that on behalf of the hon. member.

Mr. Brisco: Mr. Speaker, I recognize the fact that the Minister of Transport may indeed have some difficulty keeping in his mind the various tracks and services throughout Canada. Bearing that in mind, I draw to the attention of the minister his statement that he would like to maintain service to remote areas. Is the minister prepared to provide service to remote areas where it is no longer being maintained and where there has been an erosion of service, such as the Kettle Valley line which in 1950 had passenger service, regular dining car service, sleeping service, then went to Budd car service and, finally, to cattle car service?

Mr. Lang: Mr. Speaker, it certainly is consistent with this policy to examine remote areas which are not now served, as well as those where service exists and where, in line with the policy, it should be retained or when no other adequate alternative is available.

Mr. Speaker: Before concluding the questioning, I overlooked the fact that two government members had been standing. There is certainly no intention to preclude government members from questioning in these kinds of periods. I was looking to my right and perhaps was not aware that the hon. member for St. Boniface and the hon. member for Laprairie were attempting to ask questions. It is only fair that they be included in the questioning before it concludes.

Mr. Guay (St. Boniface): Mr. Speaker, as you are probably aware, the reason I am concerned and would like to ask a question is that there are many railroad employees in my constituency, in the CN shop, the Symington yard and elsewhere. I should like to ask the minister whether he can assure us that the number of railroad employees will not diminish while the studies are taking place; in other words, that no action will be taken until the study has been completed?

[Mr. Lang.]

• (1620)

Mr. Lang: I cannot say there might not be any changes on a day to day, operational basis, but certainly the intention behind the policy statement is that the actual services now being provided should be continued until the studies are completed and a decision taken by the CTC. I might say, also, that I was very conscious of the interest of the hon. member for St. Boniface and also of the hon. member for London East—members who are I know are in close contact with those who work on the railroad—when I indicated in my statement that I hoped to have the assistance of members of parliament in seeing that the needs of employees of the railroads are considered.

Mr. Watson: Mr. Speaker, the minister referred in his statement to further discussions with the provinces. I would draw his attention to the fact that around Montreal we have an entire network of rail facilities which are conceivably available for urban rapid transit purposes. As the minister is aware, the province has been waiting for an announcement, some sort of federal direction, before acting itself and making a move toward the utilization of these facilities.

Can the minister tell the House whether he anticipates in the immediate future entering into discussions with the Province of Quebec with a view to making arrangements for their utilization of these existing facilities so as to provide the transit facilities which are desperately needed by large numbers of people living off the island of Montreal who are affected each morning by having to wait as long as three or four hours because of congestion on a vehicular bridge? Can the minister tell us today whether he and the province of Quebec will soon be discussing this matter?

Mr. Lang: In general terms we have of course, been taking the position that initiative and interest in commuter services around major cities is a matter for basic leadership from the municipalities and provinces involved. However, as the hon. member has indicated, because of the possible use of particular rail lines which are under national jurisdiction, we would always be glad to have discussions of the kind he has suggested.

I would, in fact, have taken part in a discussion with the Quebec minister of transport in which the topics would have included the Montreal transportation question. That was scheduled for the 27th of this month but weather conditions prevented us getting together. That meeting will be rescheduled and we shall certainly be looking at questions of that kind.

Mr. Wenman: Will the mode of consultation include public hearings and reference to legislation or motions to the House of Commons and its committees? What did the minister mean when he described passenger service as a system designed for an earlier time? Since British Columbia entered confederation on the basis of a national dream, does the minister consider confederation a system designed for an earlier time?

Mr. Lang: I have said that I expect passenger service to continue to the Pacific coast from the rest of Canada. Also, in answer to an early question I indicated there would be a vast increase in freight traffic to the coast from the western region of the country. So the continuation of the national dream is assured. What I had in mind was that the nature and use of our rail system really reflected a previous period and had not gone through the necessary updating so as to offer the kind of service which might make it a useful one throughout Canada.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the reference the minister made in his statement to his willingness to consult with the representatives of labour, and in view of the fact that changes are almost bound to result in relocation, lay-offs, early retirement, and so on, will the minister include in his studies a personal concern with the pension plans of the railways? In particular, will he study, as soon as the government gets it, the report which will be coming from Dr. Noel Hall concerning all aspects of the pension plans of all the railroads in Canada?

Mr. Guay (St. Boniface): Hear, hear!

Mr. Lang: I would be glad to look at the pension plans so far as they relate to the changes which are involved in this particular policy. I do not think I should attempt to overtake the other ways in which examination is being made in a general sense, just because they are indirectly involved here. I should add, partly in answer to the preceding question, that consultation and hearings will take place in the process of examining this question.

Mr. Speaker: Order.

Mr. Roche: On a point of order, Mr. Speaker, yesterday, in questioning the Minister of Transport on this policy, I asked him, as reported on page 10376 of *Hansard*, whether he had consulted the city administration of Edmonton with regard to the serious adverse effect the policy would have on that city. In part of his response, the hon. gentleman said:

We have had extensive consultations throughout the country.

Mr. Speaker, ten minutes ago I spoke to the officials of the city administration of Edmonton concerned with intergovernmental affairs, and they advise me there have been no consultations with Edmonton concerning this policy. I wish to protest the misleading answer given me yesterday by the Minister of Transport. Knowing the minister, I am sure it was not his intention to mislead, but I raise the question on a point of order now because that incident calls into question the sincerity of the government when it states again that there will be consultation and that implementation of the policy may eventually be influenced by the response from the public as well as by the city of Edmonton, labour, management and the CNR—everybody involved in Edmonton. I want it to be clear that if I, as a member of parliament, encourage a considered response to be given to the government through the consultative process, the government will accept this in a serious and responsible manner.

Mr. Lang: It is obvious even from the words read by the hon. member that his rather petty point has no basis. His question yesterday contained many different elements and I was not responding directly to the part about the city of Edmonton. I know that the former mayor of that city was not contacted by the hon. member. The consultations were held very widely over a broad range of time with many people in many different areas.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Wednesday, January 28, consideration of the motion of Mr. Lalonde that Bill C-68, an act to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, just before the House adjourned yesterday I had remarked that, should the government's clairvoyance regarding Bill C-68 fail to justify itself, Canadians would be faced with one of two alternatives—reduced health care services or increased taxes. In other words, if medical costs increase at a higher rate than that contemplated by the 1975-76 budgetary ceilings, the provinces will be forced to seek the very solutions which the federal government deemed undesirable in 1969.

There is no question that the unilateral action of the federal government has outraged the provinces. Their immediate reaction was to care for a cessation of consultation in connection with all cost-sharing programs of the federal government. If the government's ploy in introducing this legislation was to bring the provinces back to the bargaining table, as has been suggested, it is now clear that this ploy was completely misdirected.

● (1630)

Accompanying the unilateral approach to decision-making is the entire issue of arbitrariness. If Bill C-68 is passed, the ceilings established in the bill will become statutory. While one of the primary principles of responsible government is that parliament cannot bind its successor, political realists realize that reversal of decisions previously made is usually a long and difficult task. What will happen if the ceilings on spending are too low? What if the desired standards for health care simply cannot be maintained, given the bill's restrictions? It appears the figures have been pulled out of a hat; no explanation or investigation accompanied these figures. In short, the ceilings can be criticized because there is no indication that the percentage delimiters are appropriate and also because there is no room for flexibility. The government has made open-ended provision for ceilings and, should they be incorrect, there is little room for compensation.

Last year, national medical care expenditures ran at $1.37 billion. Expenditures for this year cannot yet be

realized, but obviously three possibilities exist: outlay could increase marginally, or as projected, or quite markedly. Since what happens financially in this year will dictate federal contributions for the years to come, one again can only speculate what could happen even if the provinces' budgetary outlay stayed inside the guidelines.

The government has made the argument that the imposition of ceilings on the federal contribution to medicare will not cause undue strain on provincial coffers, will not result in reduced health care services, and that the guidelines could encourage provincial restraint and provide a positive input into planned budgetary forecasting. This could only occur if the price of physicians' services likewise did not rise above the budgetary ceilings. In turn, if physicians' services do not rise above the ceilings, then the government has, in fact, imposed an effective wage control on a single, identifiable professional group. It is not difficult to see the blatant, discriminatory nature of such a move.

Another point which can be raised deals with doctors' salaries and taxes. The government has decried the increased costs of health care. We have seen that in the medical care field this documentation is basically without foundation. However, even if one was to concede that medical expenses should be curbed, it must be remembered that the federal government receives a substantial return on its capital outlay for medicare in the form of physicians' taxes.

In 1972, the average taxable income of physicians in Canada was $41,105. By inflating this figure by the increase in medical expenses we could speculate that doctors are earning approximately $50,000 per annum. From the last figures available in 1973, there were 36,095 physicians in Canada. National gross physicians' incomes can therefore be estimated at roughly $1.17 billion. Given the present tax structure, each doctor in Canada would pay approximately $9,600 in federal taxes, equalling $346.5 million in total tax payment to the federal treasury, or 51 per cent of the total federal payments to the provinces for medical care in 1974. In this light, the government's complaint of budgetary strain due to costs of medicare becomes increasingly hollow.

There is no question that the reasons for imposing ceilings on medical costs are fairly flimsy. It is not possible to forecast accurately what is going to happen to medical care in Canada in view of the changes suggested in Bill C-68. This point has been mentioned before and should be emphasized again. Since the long-term condition of health services in Canada is dependent on so many countervailing variables and non-quantifiable exigencies, it is increasingly difficult to predict the future of this field without blind confidence. However, this is exactly what the government has done in introducing Bill C-68.

In conclusion, the government has given itself a narrow and restrictive course to follow in the years ahead. It certainly cannot claim to be prophetic, yet the minister and his colleagues have committed themselves to an empirical approach to health care financing, thereby severely limiting their ability to deal with problems in the unforeseen or unforeseeable future.

Mr. F. A. Philbrook (Halton): Mr. Speaker, I am very pleased to join this debate today on the medicare budget, Bill C-68, not only as a physician and pharmacist but also as a fellow citizen concerned with the effectiveness and efficiencies of national spending. I think it is important to start by looking at our medical care system. First, the previous system. Until recent years Canada shared with the world a traditional system of health care even then one of the best. People lived a simpler life and only when definitely ill and unable to carry on went for help to a health professional, usually a physician or medical doctor. Hospital remained a last resort.

[Mr. Mitges.]

As with any system, there were advantages and disadvantages. They paid the doctor directly on a professional fee for service basis, similarly the hospital. There developed a proud system of responsibility and mutual respect. Eventually private insurance schemes became available but the same basic sense of values continued. Administration was still simple and privately financed. Undoubtedly, some inequities did exist, inequities between rich and poor, between those with serious illness and those fortunate enough to remain healthy. Some people probably hesitated to seek care when they needed it.

However, in my own experience, people were looked after as well as possible, within the limitations of the time, the state of the art and science. Generally, no one in need was turned away and unpaid debts were absorbed by doctors and hospitals. The so-called Robin Hood system was accepted—take more from the rich to cover the poor. Medicine was not only a respected profession but "the noble profession". Ironically, medicine in the old days seemed to enjoy more respect while having less capability to help the ill. However, with changing social values in recent years, even with increasing general affluence and more ability to pay, such a traditional system came under increasing criticism and increasing public aversion to anything resembling charity.

Next, the present system. The concept of comprehensive prepaid plans grew stronger, beyond the limits of private plans, and public pressure led to more and more government involvement. In spite of concerns in both the public and private sector, we seemed to become more and more involved in open-ended plans as well. Undoubtedly these were politically popular during the existing affluent times when they started. As well, they probably represented an easier type of plan to administer.

Deterrent fees have been considered and even tried. I personally find many people, including doctors, feel they are still worth a try. However, many others feel that not only do they not work but they are unjust, with the wrong people deterred from seeking help—the needy, the old, the poor, the submissive. Our open-ended plan was founded on the honour system, on values presumed to exist, unlikely to lead to overuse or misuse. Now, with mounting costs, we wonder if our trust was misplaced.

People have not been trained to restrain their use of the system. In fact, they have been encouraged in recent years to increase their use of it in the name of good, modern, scientific medicine, especially preventive aspects such as regular physical examinations and cancer tests. We probably have been sensitive to mutual criticism at the thought of suggesting less use of health services, including both sides in the doctor-patient relationship. In an expanding

economy, an affluent society with constantly rising expectations is not likely to accept limits on services gladly.

● (1640)

However, times have changed, the economy has slowed and pressure has developed against government size and spending. In June, 1975, the Minister of Finance introduced certain major spending restraints, the first seen in many years and the first of many to come, probably. In the medical field it involved two areas: hospital care, including diagnostic services, and medicare, which includes mainly doctors' services in both the office and on house calls, plus administrative expenses for both.

Over the next three years increases in the federal contribution to medicare were to be scaled down annually to 14 per cent, 12.5 per cent and 10 per cent calculated to cover a decreasing inflation rate and a 1.5 per cent rate of population increase. It was not stated how this would affect doctors' fees and total incomes, a matter of subsequent concern to doctors and, surprisingly, also to provincial governments which had also been expressing alarm over growing health and welfare budgets.

Until the anti-inflation program came along doctors were also concerned that they would be the only Canadians under income restraints and therefore the victims of discrimination. Now they are concerned, like everyone else, about income guidelines, but also whether the discrimination will remain after the anti-inflation program ceases.

Still, how would a medicare bill like C-68 relate to a general restraint bill like C-73 in the meantime? The medical profession also points out that theirs is one of the few professions with a publicly-standardized fee schedule more readily subject to controls. Ontario doctors, for example, have been held and have agreed to an average 5 per cent increase in their fees over the last five years, including increased costs of practice, while inflation has been increasing at 10 per cent. An annual 10 per cent increase in fees over the next three years over and above the percentage increase in costs of medical practice according to the guidelines might then be seen as acceptable as long as this limit were applied consistently to other Canadians, and as long as increased costs were exempted as is to be the case for other businesses.

However, doctors incomes also depend on how many patients they see in a year, as well as their level of individual fees. Should a limit be put on their total income and, either way, how does one distinguish between true productivity, which is to be encouraged, as against unnecessary, expensive overservicing, which is to be discouraged? Personally, I believe only the profession itself is capable of making the distinction, and even then only with great difficulty.

Many factors can legitimately and sometimes temporarily increase the annual volume of a doctor's practice beyond his control: the natural growth of his practice, especially for a doctor just getting established, or one changing location, loss of a partner, or an increase of illness in the community—and he should not be penalized for this. If he is, his patients and the community can also suffer. Fair treatment is also more conducive to a valuable profession such as a doctor managing an expensive social system well.

A surtax on total income might cut costs and might even discourage misuse of the health system, but is the price worth it in terms of lost productivity and a demoralized profession? By the way, it is also important that income equitability exist with the medical profession, that is, between geographical areas like provinces and between specialists and GPs.

Let me say a word about health care spending. The fast-growing Canadian health and welfare bill is now taking about one-third of all government spending. The federal budget for this department will be around $10 billion, and the Ontario budget around $3 billion for 1976, in proportion to population. At present, the federal government is committed to pay half the cost of whatever hospital and medical expenses the provinces incur.

At three federal-provincial conferences between 1971 and 1973, Ottawa offered the provinces a formula under which they would receive a per capita lump sum every year tied to increases in the gross national product rather than to increases in health costs, but the provinces rejected it each time, convinced that they would lose if they accepted it.

The federal Minister of National Health and Welfare Minister (Mr. Lalonde) has announced, in principle, extending federal support to some lower cost health services beyond those covered at present, but which ones have not yet been announced. The changes are expected to slow the rate of increase in health costs. These other services, presumably less expensive, are to conform to existing legislation,—the Medical Care Act, and the Hospital Insurance and Diagnostic Services Act. Alternatives to acute hospital care, such as nursing homes, home care and ambulatory services will be considered, but provinces will first be expected to give a firm commitment on their plans in the hospital and medical fields over the next few years.

Support for dental and drug care programs is not considered possible at this time, and because of the magnitude of any such programs they would have to be considered separately as the economy improves. Such an agreement should meet the demands of most provincial governments which have been complaining about the present health plan as too rigid financially, which prevents funds from being used efficiently. In addition, cost-saving efforts must go beyond medical bills and place more emphasis on prevention, on environment and behavioural risks such as automobile accidents, physical neglect and occupational risks as outlined in the ministry's "New Perspectives on Health for Canadians".

However, on the professional scene, hospital costs are increasing faster than medical costs, that is, those in the doctor's office or on house calls. Ontario health minister Frank Miller complains that hundreds of hospital beds are now empty, but hospital boards and doctors are not keen to use them for older chronic patients, perhaps due to long-standing patterns of practice. Average hospital budgets in Ontario were up 15 per cent for 1975, nearly twice the rate allowed under provincial ceilings. In return, Mr. Miller is threatening to close some hospitals and decrease the power of hospital boards. An average hospital bed costs up to $20,000 per year to operate but, ironically, closing a ward saves only $8,500 per bed per year.

The original 1974 Ontario hospital budget was $1.1 billion but reached $1.4 billion, while compulsory 2 per cent cuts saved only $21 million. Total Ontario hospital spending was predicted to reach $1.6 billion in 1975, even without additional staff and services. The total Ontario health bill will increase from $2.5 billion in 1974-75 to $3 billion in 1975-76. Mr. Miller warned that if it continued to rise at current rates, the province would be bankrupt in ten years.

On the other hand, the Canadian Medical Association claimed that doctors needed a 14 per cent increase to boost their salaries by 10 per cent in 1975. Dr. Bette Stephenson, former president of the Canadian Medical Association and now an Ontario politician, said that this would still only give doctors two-thirds of the predicted income increase for the average Canadian. Under OHIP, Ontario doctors were granted only a 7.75 per cent increase in 1974 and a 4 per cent increase in 1975. She said that although government figures show Canada's doctors are the highest paid profession, at $68,000 in annual payments, costs of practice ranging from 40 per cent to 75 per cent, and income tax near 50 per cent, reduce that amount to a disposable income of $26,000. Costs of practice, as well as nursing and hospital staff salaries, have increased sharply in the meantime.

Regardless of these figures, the profession of medicine—in spite of reports emerging from Ontario—seems willing to conform with the anti-inflation program as long as other Canadians do also. They have difficulty understanding the new medicare bill on budget restraints, partly because they are not clear how it affects doctors' incomes and other items of expenditure, and partly because they are not clear how it is affected by the anti-inflation guidelines for doctors' incomes.

● (1650)

Canadian Medical Association officials seem most reasonable in their negotiations and admit to a satisfactory working relationship with the Minister of National Health and Welfare. They acquitted themselves well in recent parliamentary committee meetings. Co-operation and optimism are certainly the order of the day in this relationship. The Toronto *Globe and Mail*, in its lead editorial on January 16, 1975, made the following comments under the title "Philosophies of Health":

> Costs and political philosophies. These are the basis of the conflicts which divide provinces and provinces, as well as provinces and the federal government, on matters concerning health services for Canadians.
>
> Medicare as it was established by Ottawa has proved enormously costly, without being flexible enough to provide some services that are needed or to put the accent on prevention rather than care.
>
> Mr. Lalonde has agreed in principle to extend federal support to some other services, and a committee will work on the problem in the next several months.
>
> It will be an advance if more health can be preserved or recovered at less cost. The cost of medical and hospital care, under the present formula, is increasing so rapidly that it is jeopardizing provincial budgets.
>
> At no time, but particularly in a time of inflation, should Canada be advancing upon costly, universal, open-ended plans. What public money there is should be devoted to meeting the needs of those who cannot provide for themselves.
>
> The other difficulty with universal plans for a country as disparate as Canada is that they are too inflexible to meet regional ones.

[Mr. Philbrook.]

The editorial also points out differences of opinions between the provinces. Wealthy ones like Ontario and Quebec want only a larger share of personal income tax revenues. In contrast, the maritimes, Saskatchewan and British Columbia want more universal, shared-cost programs, for example, prescription drugs and dental care. Shared plans are seen adversely by some as interfering with the local setting of priorities; by others, beneficially as providing badly needed funds. In other words, some can afford to be independent and some cannot. Each approaches the same problem from his own vested interests. Fair enough, but it does not square exactly with national unity. Furthermore, it says a province like Alberta, currently flush with money, may not mind expensive programs like modern hospitals thrust on them by Ottawa while, ironically, the formerly reigning province of Ontario is now feeling the pinch and might prefer the cheaper chronic beds or home care programs. In light of these complexities, the Prime Minister (Mr. Trudeau) and the Minister of National Health and Welfare have apparently promised not to impose any more universal programs on the provinces; hopefully, not even on the country.

The government has already run into trouble by suggesting what it believes is a generally reasonable, over-all limit on the rate of increase of medicare and has served statutory notice of a desire to renegotiate the hospital plan. The *Globe and Mail* editorial, even with the wisdom of hindsight, raises more questions than answers. In its retrograde, conservative way it suggests the return of a different plan for every province, a welfare-type plan for the needy, which is usually regarded these days as cold charity, and the accompanying expensive and fragmented system of private plans for all others. As Eliza Doolittle would say: "Not bloody likely".

Now I should like to say a word on the immigration of foreign doctors. Another aspect raised has been restrictions on the immigration of doctors to Canada, but not only for reasons of saving money; there are other concerns. One reason is to try to supply doctors to rural and remote areas of the country where they are in short supply. Another pressure is to permit more places in the medical schools for the children of existing Canadians. The immigration aspects are federal, the others provincial, but apparently the move has the support of all federal and provincial ministers involved.

The Ontario health minister proposed the action based on a full brief which he presented at the January, 1975, federal-provincial health ministers' conference in Ottawa. In 1973, 1,170 doctors immigrated to Canada, almost as many as the 1,326 who graduated from Canadian medical schools, while many well qualified Canadian students were turned away. Most foreign doctors, like immigrants in general, come to Ontario; but Ontario, at a ratio of one doctor per 585 people, is already well staffed compared to the World Health Organization recommendation of one per 650. The recent increase in doctors in Canada seems to be related to the introduction of medicare.

It is proposed that foreign doctors be treated like other immigrants, that they be barred unless they have a job waiting for them here or unless they commit themselves to part of the country where they are needed. Mr. Miller proposed that the flow to Ontario needs to be stemmed.

Each province should be able to declare whether it needs certain types of doctors, or any doctors at all, with federal immigration officials acting accordingly. Only Prince Edward Island, New Brunswick, Newfoundland and the Northwest Territories have recently been below recommended levels of doctors. A profession like medicine is otherwise self-regulating. Regulations have recently been tightened so that other immigrants would be needed regardless of educational qualifications. Only doctors and university teachers were exempted. No new legislation will be required for further tightening.

Now may I say a word about the doctor's actual situation. Canadian doctors claim that increases in medical fee schedules in recent years have not kept up to other factors such as the rate of inflation, other peoples' salary increases and the costs of new, expensive medical procedures. They also feel that official statistics and press reports have overstated their true average take-home pay by eliminating incomes under $30,000 per year, whereas many full-time, regular practitioners actually do make less than $30,000. The proportion of Canada's GNP spent on medical services in Canada has apparently declined from 1.3 per cent in 1971-72 to 1.1 per cent in the 1975-76 forecasts. However, the hospital insurance contribution has increased at an annual rate of 18 per cent during the comparable four-year period, partly due to higher wage awards for hospital staff.

Health care costs have also been increased by increased utilization or patient demand for services, some of which may well be unnecessary and represent a potential area for cost reductions. Canada, after all, is one of the healthiest countries in the world. Doctors are busy enough, without doing unnecessary work. When they receive adequate fees they can take better care of both their patients and themselves. The health care system then works better and neither the doctors nor health budgets become exhausted.

I have some more figures on the situation of doctors, but in view of the time I shall leave it at this for the present. The government has proposed a number of amendments. The first is that the exact ceilings are to be set for two years only. Second, there will be provision for increases for new, important classes of services. Third, there will be a three-year exemption from the ceiling for new insured services. I think these are all very worth-while amendments which deserve the support of all of us.

It being six o'clock, Mr. Speaker, I shall conclude my remarks at this point.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

Mr. Philbrook: I am sorry; five o'clock.

Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: The hon. member for Cape Breton-East Richmond (Mr. Hogan)—Energy—Possible measures to prevent increase in cost of oil used by Atlantic provinces to generate electricity; the hon. member for Yukon (Mr. Nielsen)—Air Transport—Possibility of restrictions on unilingual pilots—Government position; the hon. member for High Park-Humber Valley (Mr. Jelinek)—Sports—Government intentions with regard to aid for amateur hockey.

[*Translation*]

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions (papers), private bills, public bills.

[*English*]

Notice of motion for papers, No. 34, appearing in the name of the hon. member for Vegreville (Mr. Mazankowski).

Mr. McKinley: Stand.

• (1700)

Mr. Deputy Speaker: The next one is motion No. 37, appearing in the name of the hon. member for Edmonton Centre (Mr. Paproski).

Some hon. Members: Stand.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think we all have the same idea, so I defer to my hon. friend across the way.

Mr. Foster: Mr. Speaker, I believe there would be agreement to proceeding with Bill C-265, in the name of the hon. member for Cumberland-Colchester North (Mr. Coates).

Mr. Deputy Speaker: Order, please. Is it agreed that all notices of motions for papers as well as all public bills appearing on the order paper be stood, and that the House proceed with Bill C-265 in the name of the hon. member for Cumberland-Colchester North (Mr. Coates).

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA PENSION PLAN

REMOVAL OF MINISTER'S RIGHT TO APPEAL DECISIONS OF REVIEW COMMITTEE

Mr. Robert C. Coates (Cumberland-Colchester North) moved that Bill C-265, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, it is quite a while since I first introduced this bill in the House. At the time I introduced it, I introduced a companion bill relating to the right of participants who had applied for disability pensions under the Canada Pension Plan to secure assistance of a legal nature in presenting their case, in view of the fact that the government was appearing before the commissions that were set up, represented by legal officers from the federal government. The minister agreed to the concept contained in the bill relating to legal assistance for applicants, and I was therefore able to withdraw that bill which was incorporated in government legislation.

This particular bill relates to the fact that the minister has available to him certain powers to appeal decisions that have been handed down by boards established under the legislation, and it was then my opinion, and it continues to be so, that the minister should not have this right, in view of the fact that the legislation calls for the establishment of certain committees under government legislation and that their decisions should be firm and final when they find in favour of an applicant.

Section 85(1) of the Canada Pension Plan provides:

> An applicant or beneficiary or the minister, if dissatisfied by a decision of a review committee under section 84, may with the leave of the chairman of the Pension Appeals Board, appeal from the decision of a review committee to the Pension Appeals Board within 90 days from the day the decision is communicated to him or within such longer period as the Pension Appeals Board upon application made to it within those 90 days may allow.

The objective of this bill is to eliminate that portion of the section which reads "or the minister". In other words, the minister from this moment on, if the bill is adopted by the House, would no longer have the right to appeal. I think it would be appropriate to explain to the House the basis on which I initiated this bill, because it is very significant so far as I am concerned; it is as significant today as it was at the time I first introduced the bill.

Short of war, there is nothing more dehumanizing than big government in action. It is everywhere. It reveals itself in many forms. Businessmen call it red tape. Statistics Canada has been its chief instrument in the production of red tape. So long as it sticks to forms and statistics and commits the nation to computers, it is hard to fight, for all these acts are in the name of efficiency. Efficiency is constantly stressed in government circles but, unfortunately, is never produced. The system has become very sophisticated with its gadgetry, but is as inefficient today as it was in the horse and buggy days, and one only needs to refer to the new, computerized unemployment insurance scheme to know what I mean.

[Mr. Deputy Speaker.]

But what outrages me and many others in this nation is that when an ordinary citizen becomes a victim of big government, that citizen and the members of his family are deprived of those things they have a right to receive. It becomes even more disgusting when it is discovered that big government has used a member of parliament, who happens to also be a minister of the Crown, as the instrument to achieve its objective.

Deverne MacDonald is a young man, 37 years of age, married, with three children. He resides in the small community of Westchester, Cumberland county, Nova Scotia. He was an employee of the CNR as a sectionman until uncontrollable diabetes forced him out of the labour force. The days ahead are bound to be very difficult for Deverne MacDonald and his family. Our social justice system is still not geared for such situations. The best evidence of this fact is that Mr. MacDonald and his family are trying to survive on $200 per month. That breaks down to $40 per month per individual.

Mr. MacDonald, when informed of the extent of his disability, applied for a Canada Pension Plan disability pension. His application was rejected. That fact does not surprise me. In order to qualify for this particular pension you must have one foot in the grave and the other on a banana peel. Mr. MacDonald applied for this pension in January, 1971, and was informed of the rejection of his application in December, 1971. Mr. MacDonald appealed that decision. It was heard by what is known as the review committee. In May, 1972, this committee found in Mr. MacDonald's favour. After 18 months it appeared that he would secure some additional assistance. But that was not to be his fate. No less a personage than the Minister of Labour (Mr. Munro), then minister of national health and welfare, appealed the decision of the review committee to another body, the Pension Appeals Board.

The review committee is composed of three persons, one appointed by the minister, the second by the applicant—in this case, Mr. MacDonald—and the third by the two appointed members. The third person acts as chairman. But their decision did not satisfy the minister. He may say he took this action on behalf of his department. But the minister, not his department, took the action, and if he had so deemed it, the action would not have been taken.

On investigation I learned that the favourable decision of May, 1972, would either be confirmed or rejected in either April or June, 1973. That means 2½ years after the man who was disabled first made application for a disability pension. It will probably be 2½ years from the time Mr. MacDonald made application for a disability pension, because he needed it then, to the date when a decision will be rendered on the minister's appeal. Who will render the decision? The Pension Appeals Board is composed of four judges who render a service through this board when they are not involved in their own court responsibilities. The judges are located in different parts of the country: one is from British Columbia, the second from the prairies, and two are from the province of Quebec. The board requires the attendance of three of the four judges. The board also has a registrar. The judges and the registrar will probably hold the hearing in Truro, Nova Scotia.

● (1710)

Along with the board will come a battery of lawyers and doctors, probably from Ottawa. Just imagine the expense involved in making a determination, initiated by the minister, as to whether an individual who is disabled as far as his doctors are concerned is disabled in the minds of a group of bureaucrats and judges pulled across Canada into Nova Scotia to make a decision whether to allow this particular individual to have a pension or not to have a pension. Mr. MacDonald, a man who has tried to live and to maintain his family on $200 per month has to leave Westchester, go to Truro, walk into a courtroom and face this battery of lawyers, doctors and judges because a minister in this House determined that he should not have something which an appointee on a board, whom the minister appointed, said he should. That is the situation.

What happened? The objective of the minister was to take away the right of this particular individual to have a pension to which the review committee said he was entitled. That is a pretty sad situation, and it is happening over and over again. I remember at the time this case came up, Donald MacInnis, who at that time was a member of parliament, informed me that there were two similar situations in his constituency. During the 1972 election campaign he had to take time out to go before that hearing because the two individuals in his constituency could not afford lawyers and had to go there by themselves to be cross-examined by federal government-paid lawyers and before the group of judges who had been paid to go there. No doubt they were getting a mighty good fee on top of that for sitting. What happened in both those cases? One of them was a man who had three heart attacks, and his appeal was thrown out. In other words, he was disqualified from receiving the pension which an earlier committee had determined he should receive.

The fate of Mr. MacDonald was not any better than the fate of the individual in Mr. MacInnis's constituency, because in the case of Mr. MacDonald it was said that even if he did have uncontrollable diabetes, according to their decision he could not qualify for a pension under the disability section of the Canada Pension Plan. It is difficult enough for an individual in this country to maintain himself and keep himself employed when he is healthy, but when he is faced with a situation where he has a disability which is so severe that he cannot work, and a minister of the Crown overrules a board which the minister himself set up, which said he should have a pension, it is a pretty sad commentary on life in this nation today, and certainly on the government. That is why I call it big government, government which does not think, worry or care about the people in this nation.

I think it is in the best interests of this parliament and in the best interests of the minister to eliminate his right to appeal a decision of the review committee in those cases where a favourable decision is rendered by the review committee.

As a matter of fact, it is my belief that the bureaucrats in the department are using the minister's name in order to try to do something which the minister, if he knew the full facts of the matter, would not do in the first place. We would be doing the minister, and certainly every individual who contributes to the Canada Pension Plan, a favour if we eliminated this very iniquitous section of the act. Therefore, I hope hon. members will assist me in having this bill referred to committee, so that all members of parliament can examine it and determine if it is in the best interests of Canadians, generally speaking, to eliminate the minister's right in this particular way.

Big government is something we like to ignore. Sometimes we can. Deverne MacDonald and his family could not, and should not have had to face the fact of life they faced then and face today, unfortunately, because of a decision of the Minister of National Health and Welfare (Mr. Lalonde).

Some hon. Members: Hear, hear!

Mr. Alan Martin (Scarborough West): Mr. Speaker, this is a very technical point which is being proposed in Bill C-265 put forward by the hon. member for Cumberland-Colchester North (Mr. Coates), and just before getting into the details I should like to make one observation. In his comments about big government, I think the hon. member was indicating some of the derogatory points about big government, and I am sure we can all agree that, like anything which gets rather big, there are disadvantages built into the system. However, I think one of the advantages, or one of the interesting things to see, is that an item like this can come before the nation, and can be brought in great detail, about the individual circumstances of one particular person, Mr. Deverne MacDonald. I think it is a strong point for our system that Mr. MacDonald's problems can come before the parliament of this nation in this way. Although we have big government, there are still, hopefully, opportunities for matters of this kind to be discussed in this forum.

Bill C-265 proposes the deletion of the minister's prerogative to appeal a decision or a recommendation made by a tribunal. This is a fairly serious thing, and we must consider it very carefully because it is important that decisions on matters of this kind, made by tribunals of this sort which are only set up for the particular circumstances involved, do not create precedents which could have implications and serious consequences to many more people across the country. As the hon. member mentioned, the amendment is identical to that contained in an earlier bill sponsored by him and put before this House in 1973.

To put the implications in perspective, I think we must recall the origins and the historical development of the Canada Pension Plan, another creature of big government but, I think, a creature we are all rather happy to have. This is important in order for us to appreciate the complexities of the program itself. The Canada Pension Plan came into being in 1965. The enactment of the program was the culmination of a long series of legislation aimed at providing alternative forms of income security for old people in Canada. In fact, the subject of income assistance for the elderly had been a topic of parliamentary debate since the early days of this century, and silent witness to those debates can be found in the statutes.

It was recognized that in our complex society many aspects of everyday life can place an individual and his or her family in financial difficulties: for example, imperfect knowledge of labour markets, lack of education and adequate training, poor judgment, poor health, extraordinary

events, and one could go on and on. In consequence, it was found that despite the enactment of the rather innovative old age security pension plan, a large proportion of Canada's old people were still having to rely on public assistance. As a result, a three-pronged approach to income security for the elderly was put into place. These included an enrichment of the universal old age security pension and a gradual lowering of the eligibility age for this particular pension to 65.

● (1720)

There was also the introduction of the comprehensive social insurance plan for retirement, disability and survivors, called the Canada Pension Plan, and the enactment of the guaranteed income supplement for the aged to provide minimum income support for those unable to participate in the plan and those retiring before benefits available under the Canada Pension Plan matured. In some provinces, including my own, there has been an additional supplement. In Ontario this is referred to as "the Gains" plan, which adds to those benefits provided federally so that there is a minimum income assured to all residents of the province when they reach the age of retirement.

An examination of the Minutes of Proceedings and Evidence of the Special Joint Committee of the Senate and the House of Commons, 1964-65, and the white paper on the Canada Pension Plan, 1964, reveals the following information about the intended general trusts of the plan: to provide a contributory pension program for Canadian workers with as comprehensive coverage as practicable; to provide basic pensions that would still leave room for private pensions and for personal initiative; to provide reasonable minimum levels of income to retired persons at normal retirement ages, to persons who become disabled and to the survivors of people who die; to provide earnings-related benefits; to provide flat rate benefits in addition to earnings-related benefits to the disabled and to the survivors of contributors for whom flat rate old age security benefits were not available, so as to assist the lower income groups, and to ensure provision of pensions that are related to general earnings levels at the time of retirement and to the levels of prices during retirement.

Thus, the Canada Pension Plan was expected to provide a central means by which contributions would be collected from employers, employees and the self-employed so that the working population could insure themselves and their families against three of the most common contingencies resulting in long-term financial hardships, namely, death, disability and retirement. The foregoing clearly demonstrates the breadth and complexity of this legislation and one can speculate upon the administrative difficulties experienced in applying this ambitious program.

To ensure fair and equitable treatment for all applicants and beneficiaries alike within the complex legislative framework, the Canada Pension Plan provides for a three-level appeal system. This was referred to in part by the honourable member. I should just like to enunciate it again. First, an applicant or beneficiary who is dissatisfied with the initial decision as to entitlement or the amount of that entitlement may appeal to the Minister of National Health and Welfare (Mr. Lalonde) for reconsideration of that decision. That is the first level of appeal.

[Mr. Martin.]

Second, should the minister decide to maintain the original decision, then the applicant or beneficiary may appeal the ministerial decision to a review committee. A review committee is a locally constituted body of three people, one chosen by the appellant, one by the minister, and the third, the chairman, selected by the other two members.

Third, if either party to a review committee appeal, that is to say, the minister or the applicant or beneficiary, is dissatisfied with a committee decision, then either may, with leave, appeal that decision to the Pension Appeals Board. I think this is the point in question, whether the employee should still have that privilege or not. The Pension Appeals Board is the final stage of the appeal process.

It is clear that there must be a level of appeal for the minister beyond the review committee stage, since that person is charged with the responsibility of applying the terms of the Canada Pension Plan in a fair and consistent manner to the more than seven million contributors subject to the plan. I think we must bear in mind at all times the figure of seven million people involved. This is because the implementation of a review committee decision—which committee is most often a group of lay people and has no judicial authority beyond that stated in the Canada Pension Plan—in a particular case could mean, in effect, that the law would be applied to an individual in a way different from the application of that law in all other similar circumstances.

That is the point I was referring to at the beginning of my remarks, Mr. Speaker, the importance of ensuring that a decision is not made by the appeal group that would then act as a precedent which would affect many other cases across the country. In these instances, a decision must then be taken whether the application is to be as the review committee believes it to be, or as the minister has been advised. Accordingly, the act provides for the Pension Appeals Board to act as a forum for the reaching of such a decision. At that level they can look at the situation and consider it in terms of its national implications.

Because of this function and because of the binding nature of its decisions, the Pension Appeals Board is made up of a chairman and vice-chairman who are judges of either the Federal Court of Canada or the superior court of a province, and members who are all judges of the Federal Court or of a superior district or county court of a province. For the convenience of applicants or beneficiaries who appeal at this level, the board is empowered to sit and hear appeals at any place or places in Canada. Further, although in many cases the evidence can well be submitted via a written brief or presentation, where the chairman feels the applicant should appear before the board for one reason or another, provision is made for payment of travelling and living expenses, including any loss of compensation, while attending.

Bill C-22, which received royal assent on November 27, 1974, and which came into force on January 1, 1975, contains a number of amendments to make the appeal system as flexible and accessible as possible. Those changes affecting the Pension Appeals Board include the following: payment of the legal expenses incurred by an applicant or beneficiary when the appeal against a review committee is launched by the minister; provision for a vice-chairman who, if the chairman is absent or incapacitated, has all the

powers and duties of the chairman; an increase in the size of the board from a maximum of six to a maximum of ten, to permit regional panels; the authority for someone to appeal on behalf of an incapacitated person, and more flexibility in the time for, and the granting of, leave to appeal. I should note that, while most of these changes were before the House at the time the hon. member tabled his bill, they were not proclaimed in force until January 1, 1975.

In this context, I should like to note that the Canada Pension Plan administration receives between 140,000 and 160,000 applications for benefits a year. In September, 1975, some 687,000 Canada Pension Plan benefits were paid. Of those benefits, more than 400,000 were retirement benefits about 46,000 were disability pensions and nearly 109,000 were widows' or widowers' pensions. In spite of this volume of cases handled by the Canada Pension Plan administration, of the 11,000 denials for benefits in the fiscal year 1974-75 only 1,800 requests for reconsideration were brought to the Minister of National Health and Welfare. In the vast majority of these cases new information was brought forward. Consequently, in two-thirds, or 1,200, of these requests for review the minister decided in favour of the applicant or beneficiary.

● (1730)

Further, less than half of the remaining 600 appellants whose requests for reconsideration had been denied chose to pursue their case to the review committee stage. I am sure that all hon. members realize that this represents a very small proportion of the total volume of cases handled by the Canada Pension Plan administration on a yearly basis.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in spite of the very plausible case that the hon. member for Scarborough West (Mr. Martin) has made against Bill C-265, I still think that this House should lean over backwards, if it has to do that, and send this bill to the Standing Committee on Health, Welfare and Social Affairs so that it can be studied.

I was involved in the discussions and all the rest of the activity relating to the introduction of the Canada Pension Plan. I can confirm what the hon. member for Scarborough West has said about it. In fact, I welcome this opportunity to say again what a good plan it is. I shall have more to say about that in a moment. But surely even those of us who are friends and supporters of the Canada Pension Plan have the right to point out weaknesses if we feel there are any in it.

I need not review the whole course that the previous speaker outlined. May I emphasize the fact that the only way in which an applicant's case gets before a review committee is if that applicant feels he has been wronged. In no case does the minister or the department refer a case to a review committee. That happens only when an applicant for the pension feels that the bureaucracy has unfairly turned him down. It is something like going before an ombudsman. An applicant has the right, as we all know, to have a review committee established, and in certain cases the review committee does find in favour of the applicant.

Even after one has made the argument that the last speaker made about the need to have consistency of rulings because of the large numbers of cases involved, it makes a mockery of the right to go before a review committee if the minister then has the right to appeal the favourable decision of that committee and get the case thrown out.

If we need to have some concern about consistency of decisions, surely there can be some way to establish case law, or some way by regulation, to set limits surrounding these review committees. To repeat the words I have already used, it seems to make a mockery of the review committee structure if an applicant who gets a favourable decision is then turned down on the initiative of the minister. As I already said, it is like a person going before an ombudsman, asserting that the bureaucracy has done him wrong, getting the ombudsman to say that he is right, and then finding that Big Brother in the office of the Minister of National Health and Welfare (Mr. Lalonde) has the right to take the matter one step further.

I realize that the applicant who has been turned down by the review committee has the same right, namely, to go to the Pension Appeals Board. However, what we are dealing with here is the case of the individual who feels that under the law he has the right to a pension for which he has paid. For him to feel that the cards are stacked against him in this way does lead to a feeling of grievance.

I am freely admitting a point made by the hon. member for Scarborough West, namely, that if you have a few hundred review committees coming up with different decisions there is going to be confusion as to what is right and what is wrong. However, that can surely be handled in some other way than this present arrangement which is built into the act and gives the Minister of National Health and Welfare the power to offset the favourable finding of a review committee.

I, too, welcome the fact that earlier in this session we passed an appropriate amendment to the Canada Pension Plan so that in this circumstance the applicant has his expenses paid. All told, however, I think the hon. member for Cumberland-Colchester North (Mr. Coates), who brought in this bill, raises an important issue, one that concerns individuals, be they few in number. Because the case on its merit looks like one that is a real grievance, I hope the House will be willing to send this bill, or at least its subject matter, to the appropriate committee.

While I am on my feet there are a couple of other things I would like to say. I hope some day we can get behind this review committee procedure to the substance of the case to which the hon. member referred, namely, the restricted definition that applies to disability. The hon. member said that you need to have one foot in the grave and the other on a banana peel in order to qualify. I suggest it is just about that severe.

I suppose that most of us in our dealings with persons involved with Canada Pension Plan applications have many cases where individuals feel they are disabled. In fact we get individuals who are ruled as disabled so they cannot work by some other department of government, and then denied a pension under the Canada Pension Plan because under its definition they are not really disabled. There are people treated in that way.

I am sure the hon. member who is nodding his head agrees with me that that matter is also one that ought to be examined. That is one of the reasons why I should like to see the bill or its subject matter go to committee where we can discuss this aspect.

As I want to see this bill get to committee, I must not contribute to talking it out. I will just take another minute at most to say that with all the faults we may find with the Canada Pension Plan, as one who was involved in its original passing, I still think it is one of the best pension plans—apart from that for members of parliament, of course—available to the people of this country.

In these days when there are questions being asked about the security of many private pension plans and so on, it is good to know that for all Canadians there is old age security and for most Canadians there is the Canada Pension Plan. It should be still further enlarged. Some of the problems we have discussed should be resolved. Arrangements should soon be made for private plans that want to get incorporated into the Canada Pension Plan to have that right and privilege. The future old age security of our people generally will be much better if this plan, along with old age security, is still further enlarged.

I hope that if this bill goes to committee we can have some discussions along that line. As I say, I am prepared to admit the plausibility of the argument that has come from across the way, but I do not think that my hon. friend has set aside the case for this bill being referred to the standing committee. I hope that will be done before this hour ends.

● (1740)

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, Bill C-265 which is before us this afternoon proposes to deny the Minister of National Health and Welfare (Mr. Lalonde) the ability to appeal to the Pension Appeals Board a decision of a review committee under the Canada Pension Plan.

Any applicant for benefits or a beneficiary under the Canada Pension Plan who is dissatisfied with a decision regarding the level of or eligibility for CPP benefits may appeal the decision through three separate appeal stages.

At the first level, those who wish to do so may make a request to the minister for reconsideration of a decision taken by the CPP administration. In the last fiscal year some 1,800 such requests were made and of these 1,200, or two thirds, were decided in favour of the appellants. Some 97 per cent of these requests involved the determination of disability. In such cases additional evidence or altered circumstances may be brought forward, and, consequently, influence the application of the legislation.

In the same period 274 persons availed themselves of the opportunity to pursue their appeal to the second level of appeal, that is, the review committee. This represents fewer than half of the 600 ministerial reconsiderations which had been denied.

I should like to mention here that each review committee consists of three members, all of whom are Canadian residents. One of these members is to be appointed by the applicant or beneficiary and one is to be appointed on behalf of the minister. These two members then jointly appoint a third board member to act as chairman. If the two members cannot agree on the choice of a chairman, the appointment of the chairman may be made by a judge of a superior, district or county court in the applicant or beneficiary's province of residence or, in the case of a non-resident, in the province in which the applicant or beneficiary's review committee member resides. The review committee hearing takes place in a location in Canada determined by the chairman with regard to the convenience of the applicant or beneficiary and the minister.

At the inception of the Canada Pension Plan the availability of this second level of appeal to a review committee was provided to avoid putting applicants and beneficiaries to the expense of a formal application to a court at the first stage of appealing the decision of the minister. Instead the appeal can be made to these locally constituted bodies. The accessibility of the appeal process was further broadened in the recent amendments made to the plan which came into effect on January 1, 1975. These provisions allow a third person to appeal a decision on behalf of an incapacitated applicant.

A decision of a review committee may be appealed to the Pension Appeals Board by the appellant or, again as recently amended, by someone acting on his or her behalf in certain circumstances. The opportunity to appeal a review committee decision to the Pension Appeals Board is also available to the minister. I should emphasize that an appeal by the minister is not necessarily presented in order to deny a benefit to a potential recipient. As an illustration, let us consider the case of two claimants—a legal and a common-law spouse—for survivors' benefits in respect of one contributor. Where a review committee decision awards the benefit to one survivor this effectively excludes the second surviving spouse both from the benefit and, more important, from an appeal of the decision itself. In this and similar circumstances the ministerial appeal to the Pension Appeals Board represents the interests of third parties affected by review committee rulings.

Beyond the implications of review committee decisions for parties affected by the specific case, the broader picture of equity and uniformity of legislative application between applicants and beneficiaries in similar circumstances is crucial.

The hon. member for Winnipeg North Centre (Mr. Knowles), when he was speaking a few minutes ago, suggested that this consistency or uniformity of rulings could perhaps be achieved in some other way. I would point out that the members of the review committee are not judges, they are not—

Mr. Knowles (Winnipeg North Centre): They are human beings.

Mr. Foster: They are not people trained to handle judicial decisions of that type, so the first time a matter really comes before judges is when it goes to the Pension Appeals Board; that is the first time you have a body which is studying cases right across the country, so this is the advantage, at this level, of getting uniform decisions and a consistency in the rulings made.

The Canada Pension Plan is a complex piece of legislation, since it provides such a broad range of intended benefits. The program covers virtually the entire Canadian labour force outside of Quebec, and provides income security for contributors and their families. Obviously every possible individual circumstance cannot be anticipated and covered in the legislation, or its regulations, nor for the sake of flexibility should this be attempted. However, in providing for the discretionary application of legislative provisions, and appeals thereto, the possibility is ever present that a given interpretation of the legislation, which had been applied acceptably and uniformly, may be altered, reversed, or even completely disregarded in an isolated case of appeal to a review committee. In the interests of so many past, present, and future applicants or beneficiaries in similar circumstances, it is essential that such conflicting interpretations of the legislation be referred to a higher judicial body capable of rendering an informed and authoritative decision. The Pension Appeals Board, made up as it is of judges, provides such a forum.

It cannot be expected that an individual appellant will take upon him or herself the onus of establishing criteria by which to ensure the fair disposition of Canada Pension Plan benefit cases in general. This responsibility falls to the minister. If we conclude, and I believe we must, that such a judicial forum is essential to the proper administration of the Act, then by denying the minister access to the Pension Appeals Board I can only conclude that the hon. member is suggesting that such applications for judicial rulings must be made by the minister directly to a federal court.

In all of this the House can be assured that the position of the individual in such appeals is given much consideration and every effort is made to ensure that the applicant or beneficiary is not placed at a disadvantage. To this end a series of legislative amendments was implemented effective January 1, 1975, to improve the plan's appeal system. The first, to which I referred earlier, extends full rights of appeal to representatives of applicants or beneficiaries who are unable to act on their own behalf. A second amendment provides that in cases of ministerial appeal to the Pension Appeals Board, the affected applicant or beneficiary, or his representative, may be paid their legal expenses, thus ensuring their ability to be represented by counsel at such an appeal. Also, provision was made for the membership of the Pension Appeals Board to be expanded in order that cases might be heard more expeditiously and the position of the affected individuals not be prejudiced by lengthy delays.

With these amendments, difficulties to clients arising our of ministerial appeals have been ameliorated. In conclusion, it is important to retain the authorization in the legislation for ministerial appeals in order to ensure the continued effective administration of the Canada Pension Plan legislation.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, we only have a few minutes left and I do not wish to take up much time because I had hoped we would be able to vote on this measure and have it sent to committee. However, I hope in vain; it appears to be the intention of government members to talk it out.

● (1750)

I commend the hon. member for Cumberland-Colchester North (Mr. Coates) on the fight he has been waging in this regard for a period of years. I also listened intently to the Liberal member who spoke prior to the hon. member for Winnipeg North Centre (Mr. Knowles); I am sorry but I do not have his constituency.

Mr. Knowles (Winnipeg North Centre): Scarborough West.

Mr. Muir: It would appear he was well briefed by the department to present a very good defence because he smothered us with statistics, as did the most recent speaker on the other side, my good friend, the hon. member for Algoma (Mr. Foster). However, they did not deal with the human aspect, as the hon. member for Winnipeg North Centre said.

The last member who spoke cast a reflection on the review board when he said it was only made up of individuals, not judges. What makes a judge know more than an individual who sits on a board and who has a medical report in front of him? In fact I have a decision of a review board in front of me here in which they say it is apparent from the medical evidence submitted by the family doctor, supported by the Department of Veterans Affairs medical board as well as a consultant specialist of the Department of National Health and Welfare, Canada Pension Plan, that the appellant had a physical disability which was most severe, prolonged, and so on and so forth. Despite that, the decision was appealed by the minister to the Pension Appeals Board and the appellant was out in the cold.

The time element is important in these cases, as the hon. member for Cumberland-Colchester North mentioned. I know another man who made his original application on August 25, 1971, and by gosh, on June 4, 1972, they were able to come back and tell him that his application could not be approved. In the meantime he was sick in bed, could not work, and his family was suffering. He was told he could appeal under section 83, so in July, shortly after his first rejection, he appealed to have the matter reconsidered. All of the evidence submitted with the application was carefully reviewed, but in September, 1972, he was advised that he was unsuccessful.

This man then appealed to the review committee and it was not until June 26, 1973, that that appeal was heard. The committee decided that the man was disabled, having in their possession all of the medical reports it was possible to obtain. However, that decision was appealed by the minister.

As the hon. member who originated the bill has said, why is it that we get high priced help, ship all these judges across from British Columbia to Nova Scotia, pay them big salaries and so on, and bring the full power and force of the federal government to bear in crushing the application of some coal miner or steelworker? I refer to these two categories of workers, in particular because I would like to refer hon. members to the case of one gentleman, now deceased, who made an application and sent in all his medical reports, including reports from the Victoria General Hospital, reports of specialists and so on. His applica-

tion was rejected. He then appealed and was sent to a heart specialist nominated by the government, as well as another specialist. He was rejected there. Then the review committee approved his appeal, the government appealed, and he was turned down. Three weeks after the decision was brought down this man was in his grave following a heart attack. This is the sort of thing that is happening, Mr. Speaker.

A few years ago some questions were asked by the hon. member for Cumberland-Colchester North about the number of decisions of the Pension Appeals Board which were favourable to appellants to that date. The total was 47. There were 24 in Canada and 23 in Quebec. I did wonder why the question was answered in that form; I thought Quebec was part of Canada and I hope it will remain so. There were 136 unfavourable decisions; 37 in Canada and 99 in Quebec.

I appeal to hon. members of the Liberal party on this matter. They must hear of a lot of cases of the sort I have described, or if not a lot certainly a number, and they must be faced with the same problem in their constituencies. If they will not agree to vote on this matter today may I suggest they bring it up in caucus, talk to the minister about it, and try to get this right of appeal by the minister eliminated altogether. I think it is really tantamount to turning down an applicant for unemployment insurance. If an applicant goes to the board of referees which approves the application, then if the minister of manpower followed the same procedure as here he would have the right to appeal the decision and cut off the applicant from unemployment insurance payments.

It is hard to understand why someone has to be dragged before all this procedure. There is the original application by the appellant, the appeal itself, then the review committee proceeding and so on. Not everyone is as gregarious as hon. members opposite, and a quiet man or woman who is a little nervous at seeing all these judges backed up by lawyers is put at a great disadvantage.

I have another case here which I regret I do not have time to refer to, but in its decision a board said the man was absolutely disabled as a result of all the medical evidence they had at hand. However, with this great power the minister appealed the decision against one lonely little Canadian.

The hon. member for Mississauga (Mr. Abbott) made much ado about isn't it wonderful that we can bring up individual cases in the House of Commons. What the hell is so wonderful about that, Mr. Speaker? That is what the House of Commons is for. We do not have enough time for that sort of thing. The House of Commons is for the commoner and there is no big deal about being able to raise the question of a person being persecuted by big government.

In conclusion let me say to hon. members—I must not say ladies and gentlemen because that is not permissible—that if they are unlucky enough to get carcinoma they will have no problem, so let them think about that.

Mr. Art Lee (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I rise not to talk this bill out but because I think there are some facts that should be drawn to the attention of hon. members on the other side. The average time taken by the appeal procedure for a decision in disability cases is 55 days. I should also like to draw to the attention of the hon. member for Cumberland-Colchester North (Mr. Coates), whom I congratualte on his initiative in introducing a number of bills that will fine tune and refine the appeal procedure under the Canada Pension Plan, that what we are dealing with here is a quasi-judicial body. He mentioned the problem of the board's travelling all across Canada to hear an appeal. By its very nature it is a tribunal that goes to the place where the applicant lives for the hearing—in the case of the hon. member, Nova Scotia—instead of having an applicant go before the Federal Court and have him travel all the way to Ottawa at great expense. That is one of the features of a quasi-judicial body.

I see it is six o'clock, Mr. Speaker.

Mr. Muir: You did a great job of talking it out.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but the time allotted for private members' business has now expired, and I leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed consideration of the motion of Mr. Lalonde that Bill C-68, an act to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Roch La Salle (Joliette): Madam Speaker, allow me to say that I am quite pleased to take part in this debate. I know that the legislation now under consideration is quite important, as indicated in the preface of a report entitled "A New Perspective" and signed by the Minister of National Health and Welfare (Mr. Lalonde) who states the following:

> Good health is the bedrock on which social progress is built. A nation of healthy people can do those things that make life worthwhile, and as the level of health increases, so does the potential for happiness.

Since we are considering a bill amending the Medical Care Act, I have taken the liberty of quoting this paragraph clearly showing the importance of this legislation.

Like many other members, I have a lot of material on this matter. I do not intend to quote it word by word in this House, because, on the one hand, I have already read

the minister's speech relating a long history of this legislation dealing with medical care and shared costs between the federal government and the provinces. He referred also to the efforts made by the government for several years. I also checked the fine speech delivered by my colleague from Athabasca (Mr. Yewchuk), the opposition critic, who has tried in a fine manner to make the government aware of the weaknesses of the measure. Since other members have made speeches in this House, I retain a series of figures, analysis, all explaining the situation as it is. That is why I shall abstain from quoting all these statistics, although they are very serious and worthwhile, since they have already been recorded in this House.

As far as I am concerned, Madam Speaker, this legislation poses a substantial problem, in the sense that it affects in a very direct, very particular and very precise way, negotiations that must take place between the provinces and the federal government.

Last June, the former Minister of Finance (Mr. Turner) announced that the government intended to reduce its participation in the cost of medical services. In this way, the federal government, in our opinion—and I think that Canadians agree—realized that the government, after forcing the provinces to participate in the medicare program a few years ago had decided by a legislation that the provinces which would not participate would lose millions. So, these provinces were naturally forced to "embark" on a program for which some of them were not ready yet. I must therefore say that there was a lack of consultation. Last June, the Minister of Finance, on behalf of his government, reversed his policy and announced that the government would eventually retire from that program, in view of the increases. We certainly are in an inflationary context, but we do not accept forcing those people to pay for medical care. They have all sorts of handicaps, and they absolutely need our protection.

The government has gone ahead without any preliminary consultations with the provinces, and this bears repeating since after the Minister of Finance (Mr. Macdonald) had made his statement and taken his decision, the Minister of National Health and Welfare (Mr. Lalonde) felt obliged to tour Canada to meet the provincial ministers. Of course, the minister says he has met with the provincial ministers and discussed it with them. We are not denying that, but we know perfectly well that this has not been done prior to the decision being taken by the government, and each time we wonder why.

It is not the first time the provinces are not consulted appropriately. That is why I feel this is a basic problem. I would like to have a federalism of participation. We have a federalism where some provinces are complaining about this lack of consultations. Of course, some hon. members will say I am exaggerating. Yesterday my colleague from Athabasca quoted some statements by provincial ministers; that is the undeniable proof that several provinces are not satisfied and claiming better consultations.

For instance, I must say the situation was the same when there was talk of anti-inflationary measures, and again when the matter of taxing our natural resources was discussed, and more recently, when there was talk of setting up a federal park in the province of Quebec. It seems that consultations were sadly lacking. I have a feeling, Madam Speaker, that you will bring me back to the subject at hand, but those are as many examples I want to mention to stress the fact that the lack of consultation is not something new; the time has come to remind the government of the importance of those consultations and the participation of the provinces. That is why I gave examples which, once again, taking into account the declarations of provincial ministers, prove that there is not enough consultation. And then people wonder why the provinces are disatisfied, why the government is becoming less popular, why it is losing some of its credibility at the present time.

And so, we, on this side of the House, believe that it is important that we should protect the quality of our health services; we also believe thoses services are necessary for those who need them; I wonder to what extent the government takes that into consideration when it speaks of dollars? The paragraph I read at the beginning is marvellous. It was signed by the Minister of National Health and Welfare; if that wonderful thought serves as a source of inspiration, one dares hope that the government will spare no effort to ensure essential cares to the Canadians who need them. We are told that there will be cuts especially in expected increases. Even a government member this afternoon was giving us the evidence that there would be increases. We do know that there will be some more, and it is sure that if the government lowers its contribution the poorest levels of the society, the poorest provinces will suffer more than the richest provinces. So, by foreseeing this unacceptable injustice to these Canadians, we are naturally and necessarily justified to oppose the passing of a piece of legislation which does not meet the needs of that just society promised in 1968.

In view of this dissatisfaction, of this refusal by the provinces of a possible agreement, the minister concluded that something had to be done, because the negotiations did not end the way he wished. Is it possible to talk about a viable federalism as long as the provinces will not be able to find a certain security? I do not think so. So, we believe in these negotiations. We favour a federalism of participation as well as a certain de-centralization. And we believe that Canadians are ever more inclined to reject that centralizing federalism.

I know that those words may seem harsh to some hon. members in this House but it is important that the public know that the government is asking us to pass a law which is not acceptable to the provinces and therefore to Canadians in all parts of the country. We believe it is our job and our responsibility to tell the government that we refuse to play the role they expect us to play and that we would rather assume our responsibilities which demand that we respect the provinces. Now this bill shows in practically every clause a disregard for provincial wishes; it does not square with the objective which a minister of health should set for himself or the government fulfill for all Canadians.

● (2010)

Madam Speaker, it is not my intention to quote statistics again. They have been mentioned. I simply wish to talk about this aspect of funding which is as always the battlefield, and about the lack of meaningful negotiation between the provinces and the federal government. It is not the first time, as I have said before. It is unfortunate and

alarming, and the government can wonder why there are so many objections and why it is now impossible to maintain a certain credibility; it is because they are far from meeting the solutions and recommendations put forward by the provinces. And we believe that the provinces have something to say in this particular field, because they always had important decisions to make as regards health care.

Nevertheless, it is the federal government which, some years ago, felt most generous when it agreed to pay 50 per cent without restrictions. But today, these medical costs are always increasing for all sorts of reasons, but not necessarily because of the provinces, and the same thing happens in every field, Madam Speaker. The federal government makes a decision—without negotiating, I repeat—and informs the provinces in advance. Once the decision is made, the provinces are consulted and put before the *fait accompli*. The government is in the habit of putting the provinces in a strait-jacket. After, they negotiate. In my opinion, this is fair.

That attitude on the part of the government vis-à-vis the provinces is sheer confrontation. It can only bring major problems. So, Madam Speaker, I think that the role of the opposition which sees in this legislation a lack of respect toward the provinces as well as an impossibility to achieve the objective that the minister set for himself in a particular brochure, necessarily forces him not only to inform the members of this House that this bill is unacceptable but that Canadians must know that we are trying today on their behalf to ask the government not to pass this bill until the ten provinces find valid reasons to accept it.

I think it would be indecent for a government to pass this bill without having the assurance of provincial participation. Madam Speaker, those are the few remarks I wanted to make in asking the members of this House to grasp the importance of respecting the provinces, to understand their arguments and allow them with the federal government to prepare a legislation that will offer possibilities of meeting objectives. It is important that this government supplement the efforts the provinces are making and become a coordinator of those efforts, taking into account the objectives of the provinces, instead of centralizing. That is the problem as it stands now. As often as legislation such as this is presented to us without the assurance of consultation and respect for the provinces, I think we have that role to play, that responsibility to ask the government to change its attitude, and I say to this government that the time has come for it to change its attitude and be mcuh more open to those negotiations.

Having said that, we would gladly support bills that are in accordance with the objectives the minister speaks about on paper but which cannot be met because of the approach he displays before this House.

Madam Speaker, I hope amendments will be brought in at the committee stage, that negotiations with the provinces will be respected and that this legislation will not be pushed further in this House until the ten provincial ministers of health agree with the minister sponsoring this legislation that is unacceptable to us at this point.

[Mr. La Salle.]

[*English*]

Mr. David Orlikow (Winnipeg North): Madam Speaker, in introducing this bill the minister in fact, although he may seem to make some small concessions, proposes in a very fundamental way to implement changes in the method by which medical insurance costs have been paid for many years. The minister proposes that the cost of the programs, which substantially has been shared 50-50 by the federal and provincial governments, will now be handled in such a way that the percentage paid by the federal government in the coming years will be less, and probably substantially less than the 50 per cent which has been paid up until now.

In beginning his speech the minister had some very complimentary things to say about our system of health care and the way in which it is paid for. I think he has every right to be complimentary, particularly when we compare our system of paying for medical services and hospital services with the way in which such services are paid for in the United States.

Recently during the Christmas season a senior public servant, in the employment of the federal government, with his family visited a large city in the United States. One of his children became sick and had to be admitted to hospital. The family was told that the child would not be admitted to the hospital until they had first deposited a cheque in the amount of $1,500 with the hospital in order to take care of possible and probable hospital costs. It is a long time since any Canadian citizen had to face that kind of situation in this country, and we can thank the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) who instituted the hospital insurance plan in Saskatchewan when he was premier, and the federal Conservative government which extended that plan to all the provinces in Canada, and also the federal Liberal government which, taking the example of the province of Saskatchewan, began a medical insurance plan paid for by the federal and provincial governments.

● (2020)

What the minister is proposing is what he first proposed in 1973, that is, that 50 per cent of the cost of medical insurance paid for by the federal government would no longer be paid but rather that on a declining scale the amount paid by the federal government would be capped, that a limit would be put on the increase paid by the federal government of 14 per cent in 1976-1977, of 10 per cent 1977-1978, and of a smaller amount, to be negotiated with the provinces, for future years.

No only do I disagree with the limit which the minister has put on for the next two years, I have a great deal of skepticism about the supposed negotiations and discussions which the government and the minister will have with the provinces. My skepticism is based not on supposition but on experience.

From the day on which the minister announced the limits on the amounts the federal government would pay every provincial government, all ten provincial governments, whether they be Liberal, Conservative or NDP—and I am certain the present Social Credit government of British Columbia will join the other nine provincial governments—objected, first of all to the federal government

refusing to pay 50 per cent of the cost as it has until now and, secondly, to the federal government deciding unilaterally that it would reduce the percentage which it paid.

Let us remember that many of the provinces did not want to become involved in a universal government sponsored, government operated medical insurance plan. If my memory serves me correctly, the province of Ontario with its Conservative government was the last province to join the medical insurance plan. They did not want to join that plan because they believed that the former voluntary plan was adequate and that all that a government should do is to pay the premiums for those people who cannot afford to be covered under the voluntary plans. So they did not join the medical insurance plan until the opposition parties started to point out to the electors of Ontario that they were losing hundreds of millions of dollars by not joining the plan. As a result, Ontario under a Conservative government was brought kicking and screaming into the national medical insurance plan organized and operated by the government.

The Government of Canada having persuaded, enticed, and browbeaten the provincial governments to come into the medical insurance plan, is now telling them that it is no longer prepared to pay for 50 per cent of the cost, that there is a limit on what it will pay next year, and that the ceiling will be lowered further in the years after that. That is a strange way for the federal government to act.

For almost 18 months the provincial governments have been trying to persuade the federal government and the minister to sit down with them and discuss what is wrong with the present plan and what could be done to limit the increases which are taking place. One would think, to listen to the minister and the government, that it is only the federal government that is concerned about the increase in the costs of medical insurance, and the next bill we will be discussing, I suppose, will be increasing the costs of hospital insurance. The provinces are just as concerned as is the federal government. Indeed I think it would be fair to say that the provinces are more concerned than the federal government because they do not have the ability which Ottawa has to raise money through taxes. What will happen?

Mr. Abbott: They should cut some costs.

Mr. Orlikow: They sure cannot learn how to cut costs by looking at the federal government. There is no provincial government in Canada which has had any increase in the number of civil servants and in the number of programs that the federal government has—not Liberal, not Conservative, not NDP. I am prepared to debate that and to prove that to the hon. member for Mississauga (Mr. Abbott) any time he wants.

The provinces have been trying to discuss this question with the federal government for almost 18 months. There have been innumerable meetings of provincial health ministers and senior officials of health departments with officials of the federal Department of National Health and Welfare. On a number of occasions the minister promised to meet with the provincial health ministers before he proceeded with this bill. But there has not been a meeting between the minister and the provincial health ministers since last January. Why was the minister afraid to meet provincial health ministers collectively? Why did he go on a junket across this country to meet the provincial health ministers individually? Did he think that he could do better with them separately than he could meeting them all together? That must be the reason, because he has not met them once collectively in the last 12 months.

Why is the minister bringing this bill forward now? Only a few months ago the minister was saying to certain provincial health ministers that he did not think he could go ahead with this legislation. Indeed I am told that to one health minister he said that if that health minister would support seat belt legislation he would drop this whole bill. Why is he going ahead, and particularly why is he going ahead now when we have the anti-inflation program? After all, we are in a period of restraint, so says the minister. The hon. member for Mississauga also indicated this.

Certainly the provinces are all on a crash course of restraint. They have put the freeze on increases in the field of education, in the field of welfare, and in the field of health costs. We know that they are closing up hospitals, as was stated by a Liberal member earlier this afternoon. The province of Ontario is closing up hospitals, so hospital costs are not going to go up. Hospital workers—I am talking about ward aides, attendants, and practical nurses, have had their wages frozen. So far as I know, all the provinces have indicated that they will join in the anti-inflation program. Therefore wages can only go up by 10 per cent and the other costs will also be pretty sharply restricted.

• (2030)

Why does the minister say that he needs legislation which will freeze the increase in the cost the federal government will pay in 1976-77 to 14 per cent, and in the year after to something less than that? There is only one place where the cost can go up so markedly that the minister would have to freeze the increase to be paid by the federal government. The only place where the increase can be so sharp that the federal government has to place a limit is in medical fees. If hon. members consider what is happening to medical fees they will see why the minister has to invoke this 14 per cent limit.

In my province of Manitoba, which has an NDP government and a premier who believes in an incomes policy, who has accepted the guidelines and the 10 per cent limit on wage increases, and who is getting a great deal of—

Mr. Guay (St. Boniface): Oh, oh!

Mr. Orlikow: Just listen. If the hon. member for St. Boniface (Mr. Guay) will just keep his mouth shut for a couple of minutes, he will get the point I am trying to make, and I hope he will agree with the premier of Manitoba.

Mr. Guay (St. Boniface): I do.

Mr. Orlikow: All right, wait a minute or two. The premier of Manitoba takes the Prime Minister (Mr. Trudeau) seriously. The premier of Manitoba and the provincial minister of health, who represents the same area as the

hon. member for St. Boniface take the Government of Canada seriously.

Mr. Guay (St. Boniface): Madam Speaker, on a point of order I should like to bring to the attention of the hon. member for Winnipeg North (Mr. Orlikow) the fact that the provincial minister of health in the province of Manitoba only represents one sixth of my constituency.

The Acting Speaker (Mrs. Morin): This is not a point of order but a matter for debate.

Mr. Orlikow: The premier of Manitoba and the minister of health in Manitoba have taken the Government of Canada seriously. They believe in an incomes policy. They believe in a limit on the increase in income which any person should be able to receive. They believe the Minister of Finance (Mr. Macdonald) meant business when he said that people at the bottom of the income ladder should not receive an increase in wages of more than $750, and that people at the top of the income bracket should not receive an increase in income of more than $2,400. So in negotiating the new fee schedule with the Manitoba Medical Association they are insisting that no doctor be permitted to receive an increase of more than $2,400 in the coming year.

What has happened? Lo and behold, that great Canadian, the chairman of the Anti-Inflation Board, was in Winnipeg last weekend, and he did the premier of Manitoba a great favour. He really helped him in his desire to follow the spirit and the intent of the legislation brought in by the federal government. The chairman of the Anti-Inflation Board gave an interview in Winnipeg in which he said that the guidelines did not mean that no doctor could receive more than $2,400 individually. They only meant that all the doctors in Manitoba, including the interns and people on staff, could have an average increase of not more than $2,400. That means that some surgeon may receive an increase of $7,000 or $10,000. But that suits the Minister of National Health and Welfare (Mr. Lalonde), and I am sure that suits the hon. member for St. Boniface.

The precise point of this legislation is to guarantee that, while doctors may receive as much as they can earn with no restrictions, the federal government will not have to pay, and that the provincial governments will have to pay the full shot, which they can ill afford, or else the provincial governments will have to cut the standard of service which has been provided up until now.

I do not blame doctors. They are human like anyone else, and they tend to think of their own interest just as any other group thinks of its interests. However, let us keep in mind that there is no group in Canadian society earning more than doctors earn.

I do not question the fact that doctors work hard. I do not say they are earning too much, but we have to keep relative values in mind. Let me put on the record the comparison between what doctors earn and the average income in this country. These are figures which we obtained from the taxation statistics of Revenue Canada, and I will give figures for the last four years for which there are statistics. That is the period from 1970 to 1973.

In 1970 the average gross income of doctors—and I know doctors have expenses, but we can still make a rough judgment of how doctors are doing from these figures—

was $34,700. In that year income of all categories was $6,400.

In 1971 the average income of doctors was $39,500. The average income for all categories in that year was $7,200.

In 1972 the average income of doctors was $41,100, and for all people, $7,700.

In 1973 the average income of doctors was $42,700, and for all categories $8,600.

Some hon. Members: Oh, oh!

Mr. Orlikow: The backbenchers on the Liberal side of the House are interjecting as usual, and I do not mind that. I invite them to get up and express their own views, but they will not do that. We know from experience that they just yelp like coyotes or—

An hon. Member: Wolves.

Mr. Orlikow: No, they are not like wolves; they are not even in the wolf class. This bill has two purposes. One is to let the doctors continue to earn as much as they can, and the other is to get Ottawa off the hook.

The minister says we have one of the best systems of health care in the world. That may be true, but the fact is that Ottawa now pays only 50 per cent of the programs which it has unilaterally approved. The federal government does not pay for mental health care, public health programs, capital cost in the building of hospitals, and a host of other items.

Most of the provinces have inaugurated or plan to begin programs which are different from those which are now offered. They are programs which, if we can go on the experience of other countries, will probably be cheaper than the kinds of programs which Ottawa now funds such as expensive intensive care hospitals. Some of the provinces have gone into home care, or they are thinking of going into home care. Some have gone into dental care, optometric services, physiotherapy, and pharmacare. All these programs they have begun or are planning to begin, and they have to assume on the basis of what the federal government has said that they will have to fund them themselves.

By recognizing only approved costs for medical and hospital programs for cost sharing, Ottawa has encouraged the utilization of high cost services. I could go into detail with examples which I have personally come across where Ottawa funds very expensive services at the rate of 50 per cent and will not pay for cheaper, alternate costs which have not been approved in advance. Any province which has gone into alternative programs, or wants to go into such programs, will have to find all the money itself. In doing that it would probably lose federal financial contributions which it is now getting, even if the alternative programs were to reduce the costs of hospital and medical expenses.

● (2040)

The provinces have proposed alternatives to the present 50 per cent cost-sharing. They proposed that the federal government agree to cost-share on the 50-50 basis the total cost of provincial health expenses on a capital basis, or

continue the present arrangements but expand them to include payment by the federal government of 50 per cent of the cost of mental and tuberculosis hospitals.

In 1974 the provinces agreed to accept the federal government's financing proposals and to undertake a joint analysis to try to define more precisely those concerns which they had voiced in previous discussions with the minister and with the government. Their study showed that most provinces would experience a very serious shortfall in revenues under the GNP escalator plan compared to the present arrangement, even with the so-called risk sharing modifications which the minister suggested when he first brought forward these proposals.

Their study also showed that the "thrust funds" proposed by the minister would be barely adequate to cover the shortfall in some provinces, and far from sufficient to offset losses experienced in other provinces. The study provided for the first time a reasonably accurate summation of the probable future cost of existing provincial programs and of committed new programs which are cost sharable at the present time.

Most provinces in recent years have committed themselves to improve services and to bring about greater efficiencies through the introduction of new programs—despite the fact that these efforts were not supported by any cost-sharing assistance from the federal government. Now they realize they cannot afford to consider let alone accept a new financing formula which would give them even less assistance than they are receiving at present.

According to the joint provincial study the ten provinces are now spending a total of over $1.2 billion a year in respect of health programs for which there is no federal cost-sharing at the present time. They claim that by 1978-79 these expenditures will increase to almost $2 billion annually. In addition commitments have been made to spend over $800 million on new non-sharable programs between now and 1978-79.

Many provinces have come to the point where their options are becoming more and more limited. Already many are finding it necessary to impose stringent budgetary restraint to the detriment of existing operations in order to free funds for essential new programs so as to reduce costs in the long run. They will not be able to maintain this situation if their health needs are to continue to be well served.

They feel, and I believe that the federal government has a clear responsibility to see to it, that all Canadians are guaranteed continuing high health standards regardless of the region in which they live. They have argued that this responsibility requires that the Government of Canada make certain that its financial support for health programming takes into account the varying fiscal capacities of the provincial governments which must provide this health care.

It is precisely those provinces in the have-not areas which will be hit the hardest by the minister's proposal for reduction in the contribution made by the federal government.

Mr. Abbott: Madam Speaker, I wonder if the hon. member would permit a question.

The Acting Speaker (Mrs. Morin): Order, please. Is the hon. member rising to ask a question, or on a point of order?

Mr. Abbott: I should like to ask a question, if the hon. member will permit.

The Acting Speaker (Mrs. Morin): Would the hon. member for Winnipeg North (Mr. Orlikow) permit a question?

Mr. Orlikow: Yes.

Mr. Abbott: Madam Speaker, the hon. member suggests that the government has an obligation to provide the highest possible standard of medical care. Would he say that such medical care should be provided with its rapidly escalating cost even if it should bankrupt the provinces and the nation, or does he draw any line whatever in his extravagant suggestion?

Mr. Orlikow: Madam Speaker, obviously the hon. member was not listening to what I said. I suggest he read *Hansard* tomorrow. That is precisely what I was saying when he interrupted to ask his question. The provinces, particularly the have-not provinces, are finding it increasingly difficult to meet the cost of health insurance and hospital insurance. They have now a greater stake in trying to limit the increasing costs than has the federal government. They are less able to meet their expenses than the federal government. They are the deliverers of health services, not the federal government.

Each province has its own plan; it deals with the medical profession, with individual doctors and it deals with the hospitals. The provinces know best in what ways increasing costs can be limited. What they are complaining about is that the federal government, without discussion, without a meeting between the health ministers of the provinces and the federal minister since January of 1975, decided the amount of the increase. The federal government is saying to the provinces, "You can do one of two things. We are not going to permit an increase of more than 14 per cent and if your costs go up more than that you have two choices—cut the standard of service, or increase your own contribution."

I say that the provinces do not need a lecture from the hon. member for Mississauga. They do not need a lecture from the federal minister. They know all that better than we do, and they are just as interested or more interested in doing something about the increasing costs. They are trying. What they are saying to the federal government and the minister is, "Let's sit down together and work out how we can reduce the cost."

Mr. Abbott: Is Ontario cutting costs?

Mr. Orlikow: I suggest that if the hon. Liberal member for Mississauga thinks the Conservative government of Ontario is not doing a good job that he stand up here, or somewhere else, and make a speech in his own time about what it should do.

Mr. Baker (Grenville-Carleton): Otherwise go back to sleep.

Medical Care Act

Mr. Orlikow: The ten ministers of health, including Conservatives and the NDP, met in Ottawa on January 14 and 15, 1975, in connection with this particular proposal. They came to the following conclusions, which I should like to put on the record:

First, that each province should receive no less federal financial support than it would have received for the funding of health insurance programs under current arrangements;

Second, that new financing arrangements must allow the provinces flexibility to pursue programs in accordance with their own particular priorities;

Third, that new arrangements must allow for equitable cost-sharing of both the "start-up" and continuing operating costs of new programs, as well as changes within existing programs, and

Fourth, that new arrangements should relate to health goals and objectives and should provide encouragement to new provincial programs which offer alternatives to high cost services. Examples of such alternatives include home care, geriatric services, community, health services and ambulatory care.

● (2050)

They added:

—the provincial governments do not believe that current problems can be dealt with through arrangements which would impose an arbitrary and unrealistic limit on the federal government's future financial involvement in major national health programs. Proposals for that kind of financing system, with a number of minor variations, have been discussed for over four years, and they have been formally and finally rejected by the provinces.

Provincial administrations do not need an arithmetic ceiling on federal payments to guarantee that they will be responsible in program operations. The simple fact of federal-provincial fiscal imbalance ensures that it is more difficult for provinces to raise their share of any program costs than it is for the federal government to raise its share.

In any case, the federal government has a clear responsibility to share equitably in the costs of providing health care to all Canadians. This is the basic principle underlying the hospital insurance and medicare financing arrangements and it is a principle which must be maintained if high national service standards are to be preserved.

This principle, which was first enunciated by a Liberal federal government, is now being violated.

The province of Manitoba co-operated with the other provinces in the analysis of the problems of financing health care, and tried to define more precisely what many people have voiced in previous discussions with the federal government about the future of health care financing. Their studies showed that most provinces would experience a serious shortfall in revenues under the GNP escalator, which I already talked about and which they calculated. I have not seen any studies by the federal government to dispute the estimates. The $1,200 million which they will be spending next year on health care is not cost-shared by the federal government.

The provinces thought they were making some progress until the June, 1975, budget was introduced by the former minister of finance. A primary element of that budget was restraint. It was achieved to a large extent by the imposition of arbitrary, arithmetic limits on federal contributions toward medical care insurance starting in the 1976-77 year. The province of Manitoba called on the federal government to change this policy.

The Manitoba minister of health sent a telex message to the Minister of National Health and Welfare in which he said, and I quote:

[Mr. Baker (Grenville-Carleton).]

These announcements came as a major surprise to me, and I assume that most other provincial health ministers experienced the same reaction. Only a few months ago, at a federal-provincial conference of health ministers in Ottawa, you indicated:

(1) That your government recognized provincial concerns about the inflexibility of existing health financing-arrangements;

(2) That you had agreed to abandon an equally rigid plan for imposing arbitrary federal expenditure limits, and

(3) That you were willing to explore with the provinces various alternatives for improving the cost effectiveness of our health programs within the context of a more flexible interpretation of existing federal legislation . . .

Your government's decision to proceed with major financing changes on a unilateral basis is a serious disappointment to our province and, I assume, to most others—all of whom, in good faith, have been devoting a great deal of staff, time and effort to the joint study of cost saving alternatives. Not only does the decision represent an apparent breach of our earlier understanding but also, and more importantly, it suggests that your government has every intention of implementing legislative changes which will cause the primary financial responsibility for the future reform of health care and for the maintenance of existing service standards to be borne by the provincial governments and their taxpayers. Given the recognized limits of provincial budgetary capacities, it is obvious that such a decision would represent a significant threat to our national health standards—standards based on a system which the federal government itself initiated.

That was sent on June 25, 1975. The federal minister replied on July 11. He said in part, and I quote:

When the deputy ministers report to us in the fall, as requested at the January meeting of health ministers, it would be my intention to propose that we move on to another stage in our negotiations in terms of considering what should replace the existing legislation.

Despite the minister's promise implicit in that telegram that there would be further meetings with the provincial ministers, there have been no such meetings until this time. I ask the minister why is this? Why did he chicken-out of a meeting with the provincial ministers?

When the provincial health ministers met in Victoria in August, 1975, the Manitoba minister of health and social development prepared a number of questions which he felt would have to be discussed before the provinces could agree to the proposal of the federal government. I am not going to put all of them on the record. Some, however, are very important, and not just to the government but to the people of the provinces. They will have to meet the shortfall which will be created by this unilateral decision of the federal government to put a ceiling on the increase which it will pay. Let me put on record—

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt, but the hon. member's time has expired. He can continue only with unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): There not being unanimous consent, the hon. member cannot continue.

● (2100)

[*Translation*]

Mr. Fernand Leblanc (Parliamentary Secretary to Minister of Labour): Madam Speaker, I wish to use all the time allotted me to discuss a very important bill now before us. It must however be realized that this bill is closely related to the overall government program to curb

inflation. I believe this should be stressed in this debate. Certainly there is no question of downgrading medical care, as has been suggested by opposition members. This is absolutely without foundation.

We must review the health program and find out how we can now reduce certain expenditures that are now becoming astronomical in the area of medical care and hospital care in Canada.

Opposition members do not seem to make serious efforts to closely scrutinize the need to reduce expenditures. We are now in an inflationary period and for the sake of this country's survival, strong measures must be taken to solve our main problem, inflation. It seems opposition members do not agree, they even urge us, as they have been doing every day and even today during the question period, they have been urging Treasury Board to increase expenditures, although we are now striving to reduce them. The bill now before us is aimed at reducing expenditures without however reducing the quality of medical care.

I wish to commend the minister for the discussions he has been conducting with the provinces for a number of years, and since he assumed responsibility for the portfolio of national health and welfare.

After a number of discussions, several in-depth studies have been made in various provinces and in the province of Quebec by the Nepveu-Castonguay commission. The conclusion is that our present system must be rationalized and made more efficient. We should put less emphasis on the more expensive services and concentrate on finding cheaper alternatives such as long term care clinics as well as ambulance services and look for a more integrated system in which all the components could ensure the level of required services at a reasonable price. This is exactly what the federal government is now trying to do.

It is looking for better efficiency in the provision of medical care services which Canadians need. It is also trying to set up standards in relation to some medical care services. Participaction represents a very important step in this field and applies to all Canadians. I think that the more we will be able to provide programs such as Participaction, the fewer medical care services will be needed in this country.

During the past five years and when the first agreement was reached with the provinces, it was agreed that the federal government would reserve the right to review some of the programs during a five year period. That is exactly what is happening today. We are now reviewing different programs and this did not come as a surprise to provincial governments since, on many occasions, the federal minister communicated with them. He also held many meetings and informed them that at the present time, expenditures seemed to become huge and it was therefore necessary to review this very important program which has nevertheless become very costly, not because one area or another faces excessive costs, but because, I think, even in this field, we are trying to live beyond our means.

What is important is to try and live within one's means. I hope that opposition members will allow the bill to get speedy passage so that in future we may apply more efficient and less costly formulas in this field, while we still enjoy the same quality in medical care services. It seems that in Canada the quality of medical care is much higher than that provided in other countries.

Therefore, in no way are we going to deprive Canadians of medical services, but we are trying to review a program as we do with many other programs in relation to cuts in expenditures that must take place within the federal government. Some alternatives are being sought to make medical services more radically available while reducing their cost and improving their efficiency.

In this regard, it is important to mention that according to the present forecast the cost reduction programs should allow us to save about $1 billion in a five year period. Now, I feel that we should have the unanimous approval of this House if we can assure the same quality of care and at the same time, in a five year period, save $1 billion. And I do not see why the members of the opposition talk so much about it and take the federal government to task for the agreements that it has already made with the provincial governments.

Up to a point, the provincial governments have been spoiled by the federal government, and they should now act on their own and take their own responsibilities in all areas, and not only as concerns health. Of course, the federal government has a very important responsibility, that of redistributing wealth throughout the country, and this bill aims at redistributing wealth to the most needy provinces.

As we know, the action announced by the federal government is now causing many misconceptions. The population should know that there is no question of depriving them of medical services and that the government only wants to increase the effectiveness of medical services and to take the necessary action to improve these services so that the population of Quebec and of the whole country can make fuller use of these services, but at a price somewhat more reasonable than at the present time since, if prices continue to escalate at the present rate, all the provinces and Quebec in particular will probably have to raise their taxes to compensate higher medical costs.

We can no longer hope for economic growth to go on at the spectacular rate that we have witnessed since the Second World War. We must therefore now find a better way to use our resources and reduce wasteful spending. In the field of hospital and medical services, there now is wasteful spending as costs have increased astronomically since the implementation of what we call medicare. We should take the necessary action for the provinces to realize that the federal big brother cannot always cover their deficits and provide them with financial means to allow them to say afterwards to the population that everything is the fault of the government.

Everyone should assume his own responsibilities and the provincial governments have very important responsibilities in this area. This is why the minister has tried during the years that he has been responsible for this department, to negotiate agreements which could likely slow down these overly steep price climbs. Unfortunately no agreement could be reached in some areas. This is why the federal government must show some leadership and institute legislation which, on certain points, willl make the provinces more aware of the fact that they are also responsible for the health of their citizens. They must contribute

to their health as much as the federal government. At the federal-provincial health ministers conference last January a new method was proposed calling for stricter controls over the costliest services in exchange for federal involvement in other fields. The method proposed by the Minister of National Health and Welfare (Mr. Lalonde) required from the federal more money than what the provinces are entitled to according to the existing agreements and would have given the provinces an additional subsidy to implement alternative care formulas at a lower cost.

These alternatives might have facilitated access to medical care and improved its efficiency. I shall take up any more of the time of this House but I think important for the opposition to study the problem not in a political way as they do now but in a rational way so that we can proceed as soon as possible with the passage of this bill for the welfare of the people of Canada.

● (2110)

[*English*]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I must say I was intrigued by the partisan remarks of the hon. member for Laurier (Mr. Leblanc). Before I proceed with what I have to say this evening on Bill C-68, let me assure the hon. member for Laurier that this party is trying to take a rational view of this bill, though little contained in the thrust of the bill is rational. The hon. member speaks about federal taxes that would have to be increased. I ask the hon. member, what can the provinces do but increase their taxes when the bill becomes law? They will have no other option.

I would also ask the hon. member to explain what he means when he says the provinces are being spoilt. Does not the hon. member know precisely what happened in 1965 when Mr. Pearson, the then prime minister, thrust this whole program upon the provinces? It was not until 1970 and 1971 that all of the provinces of Canada were finally brought under the cover of the federal medicare scheme. The hon. member says the provinces were spoilt but he should know better. I suggest that he examine the history of the federal medicare program and the manner in which the provinces were sucked into it.

Having said that, Mr. Speaker, may I now address myself specifically to Bill C-68. We must first realize that once again we see a confrontation between the federal government and the provinces. It is the same kind of confrontation that we saw when we dealt with the mining legislation and mining taxation. It is the same kind of confrontation that we see going on with Bill C-58 which will inevitably mean a confrontation with the United States. It is the same kind of confrontation that has documented historically the actions of this particular government: there is no dialogue with the provinces and there is no consultation. The word is "negotiation", and brother, what experts they are.

Let us look at the increasing costs of medical care. I suggest the costs of medical care have not increased; it is the costs of institutional care and institutional structures that have increased. What could have been done about these costs, Mr. Speaker? Let us take a look at inflation, which has contributed to costs generally. Inflation has not

contributed to the increased costs of medical care when one remembers the increase received by Ontario physicians last year. Is a 4 per cent increase inflationary?

What about the additional cost of building new hospitals, or extensions to existing facilities? There is a 12 per cent building materials tax which the government put into effect. This could have been removed, at least for the construction of hospitals and nursing homes, indeed for every kind of health care facility. But it was not. Then look at other costs, such as labour. Finally—I know this is a provincial responsibility—but what about the length of time it takes a province to decide whether or not to expand a facility or to build a hospital? At the present rate of inflation, if plans are laid before a government today, a year and a half later they get the O.K. and the cost has increased by perhaps $2 million. These costs are all reflected in provincial coffers. These are the kinds of costs we are talking about today, not the sort of costs referred to in the bill. This bill is incorrect in its basic assumption that the cost of medicare is the question we should address ourselves to; rather it is the cost of institutional care with which we should be concerned.

The government could have done something for the provinces through CMHC and preferential interest rates. That in itself might have been a plus and could have been of assistance to the provinces. In the field of medicine the minister has cut, or at least frozen—which means the same thing with today's rate of inflation—funds spent on medical research. The government has been spending large sums in other areas. It spent $500 million on one program and $200 million on another. Why, Mr. Speaker, $500 million is one third of the total federal medicare budget. The money could just as easily have been directed into this particular area instead of introducing this bill.

Why should the minister of health introduce Bill C-68? Why should he take the action he is taking with reference to medical research in Canada? Surely he and other people recognize that our researchers, when they get involved in a program, begin research work that may take three to five years, but when they are half way through the program, perhaps on the verge of an exciting development or discovery which will be to the benefit of mankind, and certainly to the benefit of Canadians, along comes the minister and chops them off at the bootstraps. Where do these people go? They go right across the line to the United States where they know they can get a dollar's pay for a dollar's work and where their services, their intelligence, and their skills will be recognized and appreciated. This is the brain drain all over again. We had it before, and it is starting again.

● (2120)

When I came into this House in 1974 I can recall very well the appeal to the minister from members on this side for two lousy million dollars for research. The minister kept the research community of Canada waiting at his door for month after month after month. The question was asked time after time where was this $2 million. Finally out of the goodness of his heart the minister found that $2 million. The way the government was spending money then I am sure it had $2 million in its hip pocket all along.

Let me refer again to the limitations of this bill. The provinces' view of this bill is already a matter of record. The hon. member for Athabasca (Mr. Yewchuk) laid out precisely how the provinces feel about this bill. The hon. member for Laurier (Mr. Leblanc) also told us what the provinces think. Are these members wrong, and are all the provinces wrong?

I think I should quote from the minister's publication "A New Perspective on the Health of Canadians". At page 5 we find this stated by the minister:

> Good health is the bedrock on which social progress is built. A nation of healthy people can do those things that make life worthwhile, and as the level of health increases so does the potential for happiness.

That is simply a beautiful statement. Let us look at another statement by the then minister of national health and welfare made in this House in July, 1966, and perhaps the minister will remember his own words. He said:

> Health is not a privilege tied to the state of one's bank account.

I should like to add that health is not a privilege that should be tied to the bank account of the state. We should remember how cutbacks can eventually lead to problems as they exist at present in the United States. Not too long ago I was talking to a friend of mine whose husband fell ill while in Hawaii. He was an American citizen, a retired postmaster. He subsequently died while in hospital in Hawaii, and the hospital bill amounted to some $60,000. Thank heavens that this man was not a Canadian. The hon. member for Winnipeg North (Mr. Orlikow) touched briefly on this situation.

As the federal government changes the rules of the ball game and increases the cost load of the provinces we will see, insidiously creeping into the whole structure, the need and demand for private health care schemes, and we all know what follows this sort of thing. We can call it Blue Cross or whatever you will, but it results in fat premiums, escalating costs of medical care, and extremely escalating costs of institutional care.

Surely there is some sensible balance that can be struck. A good balance already exists, namely, the one that the federal government is inflicting upon the provinces. The minister refers to this balance in respect of the costs as a 50-50 split between the federal government and the provinces. Let me point out that it is not 50-50 at all.

The federal government is not paying the administration cost of provincial medicare schemes. The federal government is not paying a percentage of the para-medical care such as osteopathy in the province of British Columbia, physiotherapy in the province of Alberta, pharmacare in other provinces, and chiropractic care in Quebec. The federal government is not paying a share of any of those costs, yet the minister likes to tell the people that there is in existence a 50-50 proposition. I know better, and the minister knows better, and it is time that the people knew better. We all know that this is not a one-way street for the provinces.

Let me speak about the concerns expressed by the hon. member for Winnipeg North regarding accelerating costs of medical care. That hon. member has quoted fancy figures covering high earnings and high salaries of members of the medical profession. The information is not secret. In the province of British Columbia you can obtain a copy of the blue book which lays out very clearly the incomes of professionals.

Let me point out that when you think about the high income of physicians and the earning capacity of those men, let us say $300,000, you must remember that this is probably a group of five doctors in a clinic. That is likely the total earnings of that clinic, but it does not say anything about the cost of the blood laboratory, the x-ray laboratory, and the host of other services provided by that clinic. There is no mention of the high cost of these things when that hon. member talks about the high medical fees and the high earnings of medical doctors.

The hon. member has not referred to the overhead the physician has in his own office. The hon. member must think that nurses work for free, that drugs are free, that x-ray films are free, and that all the lab work done is done for nothing. Fortunately the public knows better than this. The hon. member is grossly unfair to the medical profession when he distorts the facts in that fashion. I hope the poor man never needs a doctor. I am almost a doctor and that is why I am qualified to speak on this bill.

I might refer to a couple of massive volumes called the Faulkes Report. There are some sound suggestions in that report which nearly gave members of the medical profession in British Columbia a minor hemorrhage. One message from that report came through loud and clear, and I am sure it is a message that was accepted by the medical profession of British Columbia and by members of other medical professions in other provinces who have taken the trouble to read it. That message related to the need for a broader scope and broader interpretation in respect of health care.

A committee of this House has spent some time considering the so-called battered child syndrome. Does this situation involve a provincial responsibility without any federal share in the cost of operating a central registry so that we know who these child abusers are and where these abuses are taking place? Is the federal government not responsible in some respects?

If the federal government is prepared to have its members of the standing committee listen to all this evidence with reference to the battered child syndrome, then it is or should be obvious that the federal government is about to work up the machinery and accept some responsibility, or at least take a federal posture with reference to this problem. It is a health cost. How will that be funded? Will some little bill be slipped into this House on a 50-50 basis to deal with the provinces, and then later on will the ball game be changed to the satisfaction of the federal government? Most likely.

● (2130)

The increased cost of medical care in remote areas is another matter which should be of concern. The provinces would like to address themselves to this problem. They would like to provide the services and some incentive to doctors to move into the remote areas, certainly into my riding and into the ridings of many other members. How will they do this when along comes the Minister of National Health and Welfare who changes the ball game, who changes the sharing agreements, loads the provinces with extra costs, increases the costs of the premium and the cost

to the taxpayer while decreasing the quality of medical care, and decreasing the spending the provincial governments will have at their disposal for the development of new health care delivery systems?

Those are the problems that will be created by this bill. It will have a direct effect on the provinces. That direct effect will be felt by the taxpayer. The hon. member for Laurier expressed some concern for the taxpayer in federal terms but completely forgot about the provincial terms. I ask what this bill will do for the morale of the professionals?

There will very likely be an increase in the cost of the plan. There will very likely be a deterrent fee. This may represent an increase in the taxation. Certainly given the rate of inflation introduced and promoted so effectively by the government, the provinces will be forced into that situation. What will happen when the provinces become involved in that bind and sit down with the doctors to talk about the 4 per cent increase, or the 8 per cent increase, or the catch-up?

Many of the provinces this year are faced with doctors who need to catch up, who have had no increase for some considerable time. I can tell you now that the provincial purse strings will have to be tightened considerably, and that this will lead to acrimony and bitterness in the exchanges at the bargaining table between the health representatives and the provincial authorities. I know whereof I speak. I went through that route in 1968. I know all about it. Do not kid me that it will not happen.

Now, let us go back to the Munro task force report of 1969. In commenting on the rapidly increasing cost of health care the minister at that time said:

> The standards of health care now available can now be reduced . . .

That surely must be one of the most astounding statements I have heard in a long time. Environmental concerns are only now opening up new areas of health concern. The minister in 1969 said we were reducing our standards because everybody is healthy. Now all of a sudden we are in a new ball game of environmental diseases. We have to determine how to treat mercury poisoning. We do not have any experts in that field in Canada. All of a sudden we are in the ball game of the Port Hope radiation syndrome. The Minister of National Defence (Mr. Richardson) does not know anything about that, or what he does know he is not telling. What about the cost of that particular fiasco; who will pay the shot? Is that part of the new formula under Bill C-68?

We might look at the study in Trail, my home town. This is a study on blood and hair taken from children and the smelter workers, and indeed from men and women in all walks of life. There have been 1,800 blood samples taken. This is a three-year study. It will be two years down the line before we can finish this study to determine the content in the blood and hair of heavy metals such as lead, zinc, copper, bismuth, and antimony. It will be two years before this can be finished but suddenly we discovered that some genius in the Department of National Health and Welfare had cancelled the program.

I must congratulate the Minister of National Health and Welfare—I hope he is listening to me—for responding in a very sensitive way and correcting that blunder so that that

[Mr. Brisco.]

study can in fact be completed. I should like to thank him on behalf of the constituents of my riding, more particularly those who have given their blood, hair, sweat, and tears in the past two years.

These are new concerns, new diseases, and disorders which have been presented to us all of a sudden. We have these environmental disorders, diseases, and industrial problems. Can we agree with the minister when he says that health care services can now be reduced because we have reached the zenith? He also said in his second statement that taxes, premiums or deterrent fees can be raised even higher. That will now be inevitable.

I must say that in British Columbia, if not in any other province, the Social Credit government was adamant about not applying a deterrent fee. It felt it was inequitable, wrong and inappropriate. The New Democratic government, I am told, when asked about a deterrent fee responded in like terms. Neither party will accept the application of a deterrent fee.

How can the minister give people something, and then suddenly take it away? That will really be the net effect of this bill. It will not take medical care away from the people but it will either increase their tax contribution or they will have to pay a deterrent fee to their physician.

Who will it hit first? It will hit the sick people. Who are the sick people? They are the people in two classes, the pensioners and the poor, the very ones who can least afford a deterrent fee or increases in taxes. That is another reason why this bill is iniquitous. Surely again we can agree at least in part with the statement of the then minister in 1969 when he said:

> Ways must be found to restrain the growth of cost increases through better operation of the health service structure now in existence.

How true. So why did the minister not do it? There was task force after task force. There were seven which made 377 specific recommendations on how to improve the health care delivery system in Canada. What did the government do? The government did not look at one of them. It introduced a whole new formula, sucked in the provinces and chopped them off at the pass.

It bears repeating that the cost of health care facilities has experienced a dramatic rise. This is due to inflation. The cost to cover the expense of medicare has decreased, not the cost of hospitals but the cost of medical care. This cost has decreased in proprotion to the GNP over the last few fiscal years. Bearing that fact in mind, how does the minister rationalize his decision to introduce Bill C-68? It is what we call inductive reasoning.

● (2140)

I would suggest, finally, that if costs rise above the proposed cost sharing limits which the minister has introduced, there are three situations which could and probably will arise. One of them is the draining of provincial reserves and resources or provincial revenues, or conversely, as I have said, increased provincial taxes in order to meet the daily demands of health, not to mention the abandonment of new, innovative health schemes.

Another option, increased premiums, as I have said, increases costs for pensioners and those who can least afford it. Who is in a position to afford it? What will

happen when we get into deterrent fees and increased premiums in the provinces? Labour will say to management that that is part of its bargaining. Labour will say it cannot afford to pay increased costs for medical care, and it will expect to add them to its extra benefits. Labour will bargain for that. That is more fuel with which to stoke the fires of inflation and to put down the poor and the pensioners.

This is a simple bill. It contains only three or four pages. It is relatively insignificant in size. All it does is say that the government will make some changes in percentages, but no one on the other side of the House has really bothered to give serious consideration to the net result in province after province. It will not be too bad for us in British Columbia, but what will it be like for those in the Maritimes?

Mr. Hogan: Right on.

Mr. Brisco: Once again we see the erosion of co-operative federalism. Brother, I do not think hon. members opposite know what those words mean. The government's five year notice for its withdrawal from the present hospital insurance plan threatens both these principles and practices. In the last ten years, as I said before, there have been seven task forces with 377 separate recommendations, and all of them have struck out. I wonder how much it cost for those seven task force reports.

I wonder what the cost was to the taxpayer, and I wonder where those task force reports are now. Who ordered them? Hon. members opposite ordered them. Where are they, and can they be produced? They are down in the archives confined to that limbo of dust, never to appear again. Why bother referring to a task force report? Why bother referring to 377 specific recommendations which could do something to cut the cost of health care and provide an efficient system, when all the government has to do is introduce a simple four page bill? It takes a hell of a lot less work, and the ball game is changed for the provinces. That is a pretty sweet deal.

By putting ceilings on these statutes which are on the books the government is ensuring that an inflation it helped generate will continue to escalate, medical costs will increase, and taxpayers will suffer. The desired standards for health care simply cannot be maintained because of the inherent restrictions within this bill. The government is making a guarantee that if inflation escalates, medical care will escalate, taxation will escalate, and the standard of medical care will diminish.

Finally, what will the provinces do this year? They will make darn sure they plump up to the best of their ability the medicare cheque because they know that the formula for the next five years is based on this year, and it is in their best interests to make this year look really good. That sure as hell does not do anything about inflation or for the cost of medical care.

Contrary to the idea of the hon. member for Laurier, this bill is not going to have an easy passage through the House or through the committee. All hon. members of the opposition will do their utmost to oblige the government to amend this bill and to come up with something which makes a darn sight more sense, costs the taxpayer less, and is more favourable to the provinces, and to see that there is no more confrontation on this bill, but some consultation and negotiation something which has been long overdue.

Some hon. Members: Hear, hear!

Mr. Bruce Halliday (Oxford): Mr. Speaker, coming on at this stage of the debate on Bill C-68 one is likely to be considerably repetitious in terms of what has been said already. Nonetheless there are a few points which I think should be made, and they may be somewhat different from what we have already heard.

I should like initially to commend the critic on the opposition side, the hon. member for Athabasca (Mr. Yewchuk), for the very fine and extensive summary he gave to the minister.

Some hon. Members: Hear, hear!

Mr. Halliday: The only problem with his presentation was that it was so comprehensive and so intensive that it makes it difficult for the rest of us to follow.

An hon. Member: The government would not be able to follow it anyway.

Mr. Halliday: I should refer briefly to the presentation of the minister when he led off this debate on second reading. He was indeed leading off the debate on Bill C-68, as was intended, but as I listened to his presentation I got the impression he was talking about something other than medical care services. I will admit that there was a certain element in his presentation which dealt with medical services, but by and large his whole emphasis was on the excessive cost of health care.

He really did not take the trouble to explain to the House and to the people of Canada that in actual fact there has been a reduction in the rate of increase of medical care but a real escalation in the cost of health care. Perhaps not intentionally, but I think the minister is misleading people to think that there has been a real escalation in the cost of medical care, which is not true.

Be that as it may, the minister and the government are attempting to suggest that the need for this bill rests on the marked increase in the cost of health care. Because this is the allegation, and because other speakers who followed the minister chose to use the same sort of reasoning, I too—and I apologize—will branch off on this tangent of talking about health care as well as medical care.

When considering this problem one has to go back in history a little, because one cannot understand what is happening here if one does not consider what happened in the past. I should probably start off back in the days of Mackenzie King. I think we have to give him credit, or otherwise, for having initiated the approach to social services which we now have. One has to admit there are many good points about the social services we have, but there are problems. In retrospect one can say that probably one of the biggest problems we have is that Mr. King in his wisdom or otherwise decided, unfortunately, that he would bite off a segment of service rather than a segment of people. That is to say, he chose to lay the emphasis on one particular service people in Canada needed and to provide that on a universal basis, rather than establish which people in society needed that particular service.

I was glad to read the other day in *Hansard* that the hon. member for Vaudreuil (Mr. Herbert) saw fit to criticize our government a little bit, and to suggest that probably the time had come for us to consider whether the universality concept is valid in this day and age, or whether we should be more dynamic and try to make changes more appropriate to the times. In this case we have to live with this because Mackenzie King started it for us a good many years ago.

● (2150)

Next I should like to note that when we talk in terms of health care we are dealing with two different bills. We have the bill amending the Hospital Insurance and Diagnostic Services Act and we find that about 60 per cent to 70 per cent of all health care expenditures come under that act. It is unfortunate that so much stress in this debate is laid on expenditures which amount to only about 20 per cent of the health care dollar, namely, expenses under the Medical Care Act.

I think we should take a look at the fact that the government has served notice now that it will back off on both hospital insurance and diagnostic services over the next five years, and of course it will do something more immediate by way of Bill C-68 to cut back in the immediate future, beginning this year on payments under the Medical Care Act. One has to chastize the government considerably, not a little bit, for this sort of action, because if one looks back over the history one is impressed with the fact that back in 1967 and 1968 the government was warned that it would have difficulty in the future if it insisted on going along the path it was following.

I should like to read an excerpt from the record of the debates in the Ontario legislature on February 1, 1967, when the premier of Ontario at that time, Mr. Robarts, said the following:

> Medicare is a perfect example of the federal government introducing unilaterally a program which imposes heavy financial responsibilities on the provinces. It is a further example that these things must be done together and must be done jointly if the decision-making process is to have any meaning. Mr. Speaker, unilateral decision without consultation is no substitute for good federalism.

There is no doubt in my mind that what Mr. Robarts was saying about nine years ago is still true today, that we have the very same government adopting the same policy of ignoring federalism and going on its merry path in a unilateral direction with complete disregard for the rest of the country. One has to be impressed with this unilateral and arbitrary action on the part of the federal government at that time, and again now.

Since the minister announced the introduction of Bill C-68 we find the unique situation of ten provinces and ten medical associations in complete agreement with each other and in disagreement with the federal government. It strikes one as being a rather odd situation that the minister is unable to introduce a bill which would be satisfactory to at least some of the provinces and some of the medical associations.

One could go on to look at the historic past in order to set the stage for the present time. There is a rather interesting article which appeared as an editorial in the Toronto *Telegram* issue of November 18, 1967, relating to the Medical Care Act which was proposed at that time. The editorial referred to the comments of Mr. Macnaughton, the then treasurer for Ontario. I quote from the editorial as follows:

> Already about 95 per cent of Ontario people have some form of medical insurance coverage.
>
> As Mr. Macnaughton has pointed out, Ontario has other priorities. Under the proposed federal medicare program, however, the province will be taxed for this plan, whether it joins or not. The funds thus collected would be applied to medicare in the other provinces.
>
> This is regrettable. It means, simply, that if Ontario doesn't toe the line, it will be deprived of its share of the medicare costs.
>
> By pursuing medicare, Ottawa is forcing some provinces—including Ontario—to spend hundreds of millions on a program that is not wanted, not needed or required. At the same time, however, Ottawa will not permit the province to use this money for other essential programs such as housing, education and welfare.
>
> This kind of approach to a hard fiscal problem is difficult to understand, especially when its known that the federal Cabinet is divided on this issue. Mr. Sharp's appeal for belt-tightening and spending cutbacks is put into a difficult context by this attitude.
>
> How can there be confidence in the government, and in its ability to make important decisions affecting the nation, when the Cabinet is of two minds on medicare?

The editorial concludes:

> The faith of Canadians in the Government's capacity to govern has been shaken by its handling of medicare. If it cannot assume responsibility in fiscal matters, how can it in such vital fields as foreign affairs, defence, justice and trade?

We could read the same words now and agree that they apply equally well to this day and age in Ottawa. The same holds true that we still have a government which was so irresponsible as to introduce a plan against the wishes of the people of Canada back in 1967 and 1968, having forced the provinces to join. It is difficult to believe. One can cite other examples.

I should like to quote from an editorial in the *Telegram* issue of December 5, 1967, in which Mr. Macnaughton is quoted as saying the following:

> "The budget statement suggests a determination to pursue this costly measure of social security in the face of a recognized need for a cutback in government spending".
>
> He said this determination is "totally inconsistent with the federal government's concern for the inflationary pressures, which have been caused, in no small degree, by the growth in government expenditures."
>
> "I find it difficult to see how the federal government will be able to make an effective appeal for restraints on prices and costs by the private sector of the economy if it insists upon increasing the pressures from the public area", Mr. Macnaughton said.

Once again the same problem which existed eight years ago is with us today. Yet we wonder why we are having difficulty with the government and with this kind of legislation.

There is a very well publicised medical journal in Canada called *Medical Post*. I know the minister is familiar with it because not too long ago he wrote a letter to it. However, may I call it ten o'clock, Mr. Speaker, and continue my comments tomorrow if this meets with your approval?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—POSSIBLE MEASURES TO PREVENT INCREASE IN COST OF OIL USED BY ATLANTIC PROVINCES TO GENERATE ELECTRICITY

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, the facts of life so far as power production from Nova Scotia is concerned are that we have an oil based electrical system. In fact about 70 per cent of our thermal plants are fueled by oil, and the rest by coal. Many people ask why we do not use our coal for 70 per cent and oil for 30 per cent, but it is not that easy although it might appear so on the surface.

This week we were gladdened by the announcement that a new coal fired generating plant initially producing 150,000 kilowatts would be built in Cape Breton and brought into production by 1979. That is good news, even though it does not mean that the announcement of a new mine will be needed now to produce this power, but hopefully it will lead to the establishment of a new mine for the Nova Scotia thermal market by the early 1980's. Further we have reason to hope that an additional mine opening may be announced in early 1977—after the results of a new coal preparation and desulphurization plant are known.

Coal offers some short term relief for the province of Nova Scotia, but as the president of that province's power commission noted at the Atlantic Provinces Economic Council seminar on January 21 there is no certainty at the moment that more than 1,500,000 tons per year of new coal can be provided. Therefore it is unlikely, based on present available information, that Nova Scotia coal can take us beyond 1983 to 1984.

● (2200)

There is no time, Mr. Speaker, to go into the complex details of why we cannot project more coal for thermal power purposes in Nova Scotia other than the above figures because it relates to the price and availability of coal as against competitive fuel. The availability of Cape Breton coal is tied not only to the financing of future openings but also to the necessity of guaranteeing future coking coal requirements for a proposed new steel mill in Cape Breton.

What I am trying to say is that even with the interim help given to the province by using Cape Breton coal, and thus reducing to some extent our present dependency on foreign oil, for the next eight to ten years we will be still heavily dependent on oil.

In the rest of the country, with the exception of Alberta and possibly Saskatchewan, oil price increases have a very serious effect. They usually mean higher gasoline prices, additional home heating costs and, in the final analysis, higher prices for many of our manufactured goods and some of our service industries. But in the maritimes, and especially for Nova Scotia, they mean higher electricity prices. Nova Scotia is always harder hit because of its industrial capacity. Regions of it, like my own constituency with a large number of pensioners on relatively fixed incomes, are particularly burdened with home heating and power costs.

Last June the $1.50 per barrel increase for crude oil was a hard blow for us. If we are to be hit with another increase of $2 at the end of June it will be a catastrophe.

In answering the question of my concern regarding power costs in Nova Scotia and the Atlantic region that they could possibly be doubled from about 18 mills per kilowatt hour to 37 mills by 1980, and this was based on a conservative projected oil cost of $12.19 per barrel, the Minister of Energy, Mines and Resources (Mr. Gillespie) replied by alluding to the help already given to the Atlantic region's power requirements by past subsidies and a repayable loan to the nuclear power station being built at Point Lepreau in New Brunswick. We are grateful for this help and for the recent indication of federal support for the development of the eastern Canadian power grid to improve the limited existing ties. The federal government has offered to pay 50 per cent of inter-regional transmission line construction costs. This is helpful, but it is insufficient given the size of the problem that we are going to face by 1980 as described by the speakers at the Atlantic Provinces Economic Council conference to which I have referred.

I suggested in the House on Monday that a rethinking of the subsidy arrangements had to be done immediately, and I am awaiting to hear from the minister's parliamentary secretary that this department and the federal cabinet are truly aware of the potential crisis facing us in a few short years. The minister and the cabinet have to realize that only four years ago the electrical power rates in Nova Scotia were about on a par with Ontario's; today they are double the national average, and could triple or quadruple that average by 1978 unless the federal government takes decisive action this year.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I want to respond to the hon. member for Cape Breton-East Richmond (Mr. Hogan) on his concern regarding the oil price in the maritimes and the fact that a great deal of the power, especially in Nova Scotia, is generated from imported crude oil.

The government does not underestimate the effect of oil price levels on the price of electricity in the eastern provinces. This is why oil price cushioning was introduced to allow a period of transition and adjustment toward the world price of oil.

The hon. member's arithmetic on the effect of oil prices on electrical energy generation requires some clarification. The present cushioning on heavy fuel oil is slightly over $3 per a barrel. If this amount were eliminated immediately the resulting increase in oil fired generation costs would be about five mills per kilowatt hour. Estimation of price levels in 1980 involves many other factors which go well beyond the oil import subsidy and include considerations of rising capital costs and other operating costs, and of course the possible changes in the world price of oil.

As my minister has pointed out, the government has encouraged the development of nuclear generation at Point Lepreau and has offered to support regional electrical interconnections to give greater flexibility and lower real cost in the provision of future supplies of electricity. I might point out that this offer of half of the cost of the nuclear generating station and interprovincial interconnections has been available to the province for quite some time. The cable inter-connection between New Brunswick and P.E.I. is a current example of the application of this policy with the aid of federal grants and loans.

In the longer term, a key factor is a close degree of co-operation between electric utility and government organizations in the Atlantic region, and I am somewhat encouraged by the studies presently being undertaken jointly by Quebec and the Atlantic provinces.

SPORTS—GOVERNMENT INTENTIONS WITH REGARD TO AID FOR AMATEUR HOCKEY

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, this afternoon during question period I attempted to find out from the Minister of National Health and Welfare (Mr. Lalonde) whether or not he shares his concern for amateur sport in this country as he did so effectively with his intervention in professional football in Canada, namely, the CFL. In my question I specifically referred to major junior hockey in particular and amateur hockey in general.

I had hoped that the minister would refer to the difficulties being encountered by many junior teams in different communities across this country, difficulties that they are encountering as a result of the delay and in some cases non-payment of development fees by the professional hockey leagues, specifically the World Hockey Association. I should not have been surprised when his answer was vague and uninformative.

I tried to be recognized to ask a more specific supplementary question of the minister, but for some reason Mr. Speaker saw fit not to allow me this common practice. Perhaps Mr. Speaker shares the same view as the minister in that professional teams rate more concern than our youth. That is certainly not the view that I take.

Be that as it may, the fact of the matter is that amateur sport falls under the jurisdiction of the Department of National Health and Welfare and, therefore, it would be only natural to assume that the minister in question would be interested in the well-being of the thousands of young hockey players in the junior leagues across the country.

In any case, what I wanted to find out this afternoon was whether the minister was aware that there exists a very strong possibility of some major junior hockey teams being in financial jeopardy primarily as a result of non-payment of development fees by the professional leagues.

The reason I raise this is because the federal government intervened in professional football. Under the circumstances I feel that it is time it should interfere in the case of these youngsters across this nation.

Allow me to remind the minister that in 1974 there in fact existed a contract between the CAHA and the NHL regarding development fees which amounted to nearly $2 million in that year alone. Such a contract has not been renewed; subsequently most payments have ceased and junior hockey is finding itself in serious financial trouble. There are 34 teams, for example, in the major Junior A league and one can check with most of them, whether it be Sault Ste. Marie, Peterborough, Flin-Flon or others, and one will see this problem. Let us remember, the participants are all Canadians, not like the CFL teams where most of the coaches, management, and players are Americans.

One would think that, if the minister is interested in physical fitness and sports at all, his interests would be geared to the thousands and thousands of youngsters across this country rather than a few hardened professionals. However, the more one looks at the minister's record in this regard the more one sees that the minister's concern is indeed very minimal if not non-existent.

You need only to look at the tragedy in Montreal as it relates to amateur athletes, not only from our own country but from around the world. What a disgrace and embarrassment for this nation to have a $1 billion Olympic Games and not be in a position to provide adequate facilities to the youngsters from around the world. One billion, yet there are no flush toilets, showers, or other adequate facilities! Yet the minister, as head of the Quebec Liberal caucus and as the one responsible for amateur athletics, sits here and not only does he allow the situation to develop but he is one of the main backers of the team of mismanagers in COJO in Montreal which has brought embarrassment and shame not only to the minister's own province but to the rest of Canada as well.

● (2210)

It seems to me that either the minister does not care enough about our youth who forfeit a great part of their teen-age years for the sake of physical excellence or, if I may borrow a term from the Prime Minister (Mr. Trudeau), he doesn't know his razzmatazz from a hole in the ground when it comes to physical fitness and sports in this country. This was evident from the fact that when he was pushing his football legislation before the House he had to hire special speech writers for thousands of dollars because he obviously had no knowledge of the subject matter himself.

In any case, the question is simply this: based on the fact that the minister saw fit to intervene in professional football, is he prepared to intervene today on behalf of tens of thousands of youngsters in amateur athletics?

I believe the time has come for the minister to show his concern, whether it be to ensure that development fee payments are made by professional teams and leagues or to ensure, in his capacity as Minister of Health, that proper and adequate sanitary facilities are provided at the Olympic Games in Montreal or, in general, to ensure that in any sport where professional and business oriented corporations draw on the talents of our youth—talents which were partially developed as a result of federal financing—the development payments will be funnelled back to the grass roots of the various physical fitness institutions and programs. I am not only referring now, in this last respect, to the NHL and the WHA having to make payments to draft juniors, but to other sports such as figure skating, for

example. I am making this suggestion to the minister. We as taxpayers spend hundreds of thousands of dollars assisting in the development of these young athletes—

The Acting Speaker (Mr. Turner (London East)): I regret to interrupt the hon. member but his time has expired.

Mr. Jelinek: Perhaps I can ask for one or two seconds longer—

The Acting Speaker (Mr. Turner (London East)): Your time has expired. You've had your seven minutes and now you want eight minutes.

Mr. Jelinek: Could I ask for unanimous consent?

The Acting Speaker (Mr. Turner (London East)): No. I am sorry.

Mr. Knowles (Winnipeg North Centre): Read the rules!

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the hon. member for High Park-Humber Valley (Mr. Jelinek) described his question as a simple one. Indeed it is a simple one and I am glad to have an opportunity to clear the air. Let me say at the outset that all the allegations he has made against the Minister of National Health and Welfare (Mr. Lalonde) and against the government of lack of concern are based on a misunderstanding of the situation.

I shall not attempt to defend Mr. Speaker against the allegations the hon. member made against him at the beginning of his remarks. I am sure the Speaker is well able to defend himself in the proper way. But I reject the statement he has made about the government.

First of all, we certainly favour financial support for amateur hockey by professional hockey. In fact we have intervened several times in the past, and if the hon. member knows anything about amateur sport, as he certainly should, he would be well aware of this. We are prepared to intervene, and we have intervened. We have proven our interest in the past.

Moreover, we are watching the situation very closely and we are well aware of what is going on. We are aware of the non-payments. We are aware of the allegations of delayed payments. We are acquainted with the status of those payments. The Canadian Amateur Hockey Association is very well aware of our interest and our support. They know perfectly well that they can come to us and ask the minister to intervene. But here are the facts: we understand from all the parties that the climate of negotiation and the relationship between the amateur organizations and the professional organizations are improving. They are approaching a resolution of their difficulties on their own and therefore we do not intend to take any action at this time.

As far as we know, it is the view of all the parties, professional and amateur, that we ought not to intervene at this time. For the hon. member to say there is a serious problem—which we concede there is—but that we ought to intervene to solve it, is just grandstanding. We are ready to intervene if any one of the parties asks us to do so, and we would be prepared to do so as we have in the past. So much for allegations of lack of interest.

The hon. member for High Park-Humber Valley made a very interesting suggestion and I also want to react to it on behalf of the government. He pointed out there are amateur and professional associations in other sports—he referred to figure skating—that have a relationship whereby the professional sport benefits from the training and practice provided by the amateur sports. He is right, professional sports do benefit from the amateur sports. If any of them on either side are prepared to take the kind of initiatives that have been taken in the field of hockey, we would certainly be prepared to support them. But we are not going to jump in on top. We are watching and are prepared to be supportive, and we have proved our interest and preparedness to be supportive. But we have no intention of jumping in on top of the amateur associations without invitation or an expression of interest on their part.

Motion agreed to and the House adjourned at 10.18 p.m.

HOUSE OF COMMONS

Friday, January 30, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL CAPITAL

SUGGESTED COMMITTEE STUDY OF PROPOSAL TO CHANGE NAME OF OTTAWA—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity arising from a request made by the Clerk of the Privy Council, Mr. Peter Michael Pitfield, on behalf of the cabinet for a legal opinion from the law officers of the Crown on the question as to how the name of the capital city of Canada could be changed from Ottawa to the National Capital Region. In reply, the deputy attorney general stated that it could be done by cabinet issuing an order in council advising the Governor General to issue a proclamation to change the name of the seat of government to National Capital Region, whereupon the Governor General would issue the required proclamation in the name of the Queen under the Great Seal of Canada. Such proclamation, according to the advice given, would issue from the Governor General as representative of the Queen and not from the Queen personally. It was added, however, that it should issue in her name, as the Queen is referred to specifically in section 16 of the British North America Act, which provides that:

Until the Queen otherwise directs the Seat of the Government of Canada shall be Ottawa.

The fact that the legal opinion has been asked for as to whether action could be taken without parliament's approval reveals that the government is considering changing the name of the capital, a course that Canadians everywhere will resent, and furthermore reveals a flagrant contempt of parliament.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I therefore move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That this House condemn such action that would circumvent by cabinet the rights of the Mayor and Council and the people of the city of Ottawa, of parliament and the constitution of Canada, and that the said matter shall be placed before the Standing Committee on Justice and Legal Affairs for investigation.

Mr. Speaker: Order, please. A motion pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ANTI-INFLATION BOARD

INQUIRY AS TO DETERMINATION BY BOARD OF PERMISSIBLE WAGE INCREASE FOR RAILWAY EMPLOYEES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question either to the Acting Prime Minister or the Minister of Finance arising out of a report that the railway unions yesterday rejected the wage offer and broke off negotiations and associated reports that the railway companies believe that their offer is the highest they can make under the government's wage controls. Has the Anti-Inflation Board in fact indicated to the parties to this very important dispute what increase it would permit?

● (1110)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not have specific information on any discussions between the board and the parties in that matter. I would comment that we have, of course, taken the position that the board should not enter directly as a participant in the collective bargaining. However, if the parties seek assistance in the process of arriving at a contract with regard to clarification on the application of the program, the board would do so. I would have to make a specific inquiry to see if anything of that kind has occurred up to this point.

POSSIBLE STATEMENT BY GOVERNMENT OF MAXIMUM WAGE INCREASE PERMITTED RAILWAY EMPLOYEES

Hon. Robert L. Stanfield (Leader of the Opposition): I again direct my supplementary to either of the two hon. gentlemen. In view of the fundamental importance of avoiding a fruitless and perhaps disastrous rail strike, is the government prepared to have the maximum increase it will permit under this control program determined in advance of the strike with adequate provision for both sides in the dispute to be heard because of the importance of this matter to the country?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I really anticipated the question in the response I have just given. The board, in its November 7 statement set out the procedures it will follow in this regard. I share the concern of the Leader of the Opposition about the impact of the strike and the desirability, particularly if both sides to the discussion would find it of assistance, to have a clarification of the application of the anti-inflation program to their situation so that there would be no misunderstanding which could lead to any regrettable work stoppage.

Mr. Stanfield: In view of the fact that this question goes far beyond the interest of the parties involved in the dispute and in view of the fact the government's controls program obviously restricts the scope of collective bargaining, and it is pure hypocrisy for anybody on the government side to pretend that it does not, why is the government not prepared to take the initiative to determine and announce in advance of a possible strike the precise scope of the increase it will sanction rather than permit confusion to continue with the possibility of great danger being done to our country and its citizens?

Mr. Macdonald (Rosedale): Mr. Speaker, that question has already been responded to several times in my answers. It is very clear that the board should not itself become the arbitrator in any collective bargaining dispute in Canada. If there is need for clarification about the application of the program, I repeat for the benefit of the Leader of the Opposition that under its well defined procedures the board will be quite prepared to assist the parties in this regard. That seems to be the most sensible means of conducting this program.

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THE CANADIAN ECONOMY

GOVERNMENT VIEW OF ESSENTIAL NATURE OF RAIL SERVICE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is to the Acting Prime Minister. In view of the importance of rail transportation generally to the country, and its importance in preserving investor confidence and the confidence of the business community, and indeed our whole economy, are there any studies underway in advance of the situation with regard to the essential nature of rail transportation and the cost of even a short breakdown which would be imposed on the business community? What is the view of the government with regard to the essential nature of this service?

Hon. Mitchell Sharp (Acting Prime Minister): As the Minister of Finance has said, Mr. Speaker, the government would regret any breakdown in these negotiations and hopes that a settlement can be reached without any stoppage. However, I think it would be very unwise to indicate that we anticipate any breakdown.

* * *

ANTI-INFLATION BOARD

BOARD REFUSAL TO PERMIT TORONTO UNIVERSITY LIBRARY WORKERS WAGE INCREASE TO PERMITTED MINIMUM—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that the minister has stated that under the anti-inflation program persons earning less than $7,000 could be allowed increases that would bring their wages up to $3.50 an hour, or $7,280 a year, and in a recent decision the Anti-Inflation Board has turned down a settlement between the University of Toronto and the Canadian Union of Public Employees which would have given the university's lowest paid library workers an increase that would still have left them $355 below the figure permitted under the regulations, I should like to ask the minister how he explains this and reconciles it with the stated intention of the government.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I will be glad to inquire to see whether the allegations put forward by the hon. member are accurate.

Mr. Nystrom: Mr. Speaker, I have a supplementary. If the allegations I have put forward are accurate, may I have assurance from the minister that he will support University of Toronto librarians in their efforts for an equitable and fair wage settlement.

Mr. Macdonald (Rosedale): Well, that surely is a good example of a quintessentially hypothetical question.

SUGGESTED INSTRUCTIONS TO BOARD TO APPLY MAXIMUM PERMITTED WAGE INCREASE EQUALLY TO ALL

Mr. Lorne Nystrom (Yorkton-Melville): I have a final supplementary, Mr. Speaker. While the board is ignoring guidelines for minimums, Mr. Pepin has told Manitoba doctors that the maximum $2,400 increase will be interpreted as applying not to individual doctors but to doctors as a group, including interns, residents and other salaried doctors as well as already highly-paid specialists. In view of the government's expressed desire to ensure equal treatment, will the minister instruct the board to apply the $2,400 maximum to all individuals.

Hon. Donald S. Macdonald (Minister of Finance): Well, Mr. Speaker, the board is provided for by the law and the regulations enacted. I think the hon. gentleman recognizes that any suggestion of instructions of that kind would be inappropriate.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

SUGGESTED INQUIRY INTO POSSIBILITY OF INFLUENCE OF ORGANIZED CRIME ON SUPREME COURT

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to ask a question of the Minister of Justice.

This morning, the *Journal de Montréal* reported that the Supreme Court would refuse to rule on the crime probe case. As all those delays only increase the public's concern about the alleged influences brought to bear in the courts, would the minister agree that an immediate inquiry be conducted in the Supreme Court to ensure that the international and local mafia does not prevent certain hon. members from taking action?

[*English*]

Hon. Ron Basford (Minister of Justice): Mr. Speaker, with regard to the last part of the question I will not conduct such an inquiry because I am quite sure—I am positive—that the situation is not as the question might imply. I have not read the newspaper reports to which the hon. member refers, nor any pronouncement from the

court on the subject, and I would not want to comment further until I have.

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THE CANADIAN ECONOMY

ALLEGEDLY CONFLICTING VIEWS OF MINISTERS ON ECONOMIC POLICY—REQUEST FOR CLARIFICATION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of National Defence and the Prime Minister I will direct my question to the Acting Prime Minister. In light of the apparent conflict between the Prime Minister's and the Minister of National Defence's perception of the free enterprise system will the Acting Prime Minister inform the House whose view represents government policy?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I understand that the Minister of National Defence spoke without a text.

Mr. Baker (Grenville-Carleton): He delivered it to the press.

Mr. Sharp: However, the Prime Minister speaks for the Government of Canada and my understanding is that the Minister of National Defence supports him.

Mr. McKenzie: Mr. Speaker, in order to avoid any further confusion over this issue will the House leader inform the House which members of the cabinet are new society ministers and which are old society ministers.

Mr. Speaker: The hon. member for Kingston and the Islands.

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FINANCE

GOVERNMENT POSITION ON INTEREST RATES AND POSSIBILITY OF SUBJECT BEING DISCUSSED WITH PROVINCIAL MINISTERS

Miss Flora MacDonald (Kingston and the Islands): Thank you, Mr. Speaker.

Some hon. Members: Hear, hear!

Miss MacDonald: I thank members for their warm welcome. I should like to direct my question to the Minister of Finance. Given that Jack Biddell of the Anti-Inflation Board has pointed out that the high cost of money is a major contributor to inflation in this country and that the key to containing inflation over the long haul is to lower interest rates, does the government intend to take any immediate action on this crucial matter and, as well, is the cabinet giving priority consideration to general economic advice from members of the Anti-Inflation Board?

● (1120)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the government has frequently stated its policy of reducing the rate of growth of the money supply as one of the means of supporting the anti-inflation program, and therefore the proposal by Mr. Biddell made in a public statement that there should be a substantial growth of the money supply is one we would not accept. Perhaps Mr. Biddell stated in his remarks that this represented his opinion. I would have to say that his suggestion that the money supply be greatly inflated, concomitant with the ability to reduce interest rates, is not one that we would accept.

Miss MacDonald: I have a supplementary question on this general matter of interest rates. Because of the crucial importance of interest rates to the whole economy, would the minister say if the government policy on interest rates and subsequent discussion is to be on the agenda of the finance minister's conference next week?

Mr. Macdonald (Rosedale): Not specifically, although this is the beginning of the year general review of economic and financial policies. Of course, the current level of interest rates reflects the restraint on the growth of the money supply and, in that sense, I am sure interest rates will be discussed in the context of the anti-inflation program.

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ENERGY

MACKENZIE VALLEY PIPELINE—DATE OF DECISION TO CONSTRUCT—REASON FOR FAILURE TO GIVE FINANCIAL ASSISTANCE TO INTERVENORS IN HEARING

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is directed to the Acting Prime Minister in the absence of the Minister of Indian Affairs and Northern Development. In light of yesterday's publication of a study by the Science Council of Canada which concludes that in effect the current National Energy Board hearings and the Berger inquiry are a sham, will the minister confirm that a decision to go ahead with the construction of the Mackenzie Valley pipeline is already government policy?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, there are hearings going on now before the Berger Commission on certain of the environmental factors and the effect upon the native peoples. The National Energy Board is also conducting hearings. Under the law the National Energy Board has to make a decision before the government can do so.

Mr. Neil: The Acting Prime Minister certainly has not answered my question, so I will pose a second one. Will the hon. gentleman explain why, in spite of the precedent set by the funding of groups presenting evidence to the Berger commission, no assistance of any kind has been forthcoming to public interest intervenors at the National Energy Board's hearings, some of whom have made substantial personal financial sacrifices to keep their intervention alive?

Mr. Sharp: I think this question has been answered on a number of occasions and the Minister of Energy, Mines and Resources dealt with the matter when it was before the committee.

Oral Questions

EXTERNAL AFFAIRS

DRAFT PIPELINE TREATY WITH UNITED STATES—REQUEST FOR REPORT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the Canadian Press story out of Washington yesterday that Canada and the United States initialed a joint pipeline draft treaty yesterday, would the minister advise the House very briefly what this treaty covers?

Mr. Speaker: Order, please. I do not want to interrupt the minister but I am concerned, however, that since the minister yesterday gave an indication of his intention to make a statement, his answer to this question might overlap. If they are on different subjects, the minister could go ahead and answer the question, but if they cover the same subject, then perhaps it would be best to await the minister's statement.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I propose to make a statement on a different subject later today. It is true that yesterday a joint pipeline treaty was initialled *ad referendum* between Canada and the United States. The text will be submitted to each government for approval. The main provisions of the treaty will provide for the delivery of hydrocarbons in transit through each country for delivery to the other, with certain provisions relating to throughput and non-discriminatory treatment. These are the principles which will be considered and, if they can finally be approved, I believe it will be a very important step ahead in our bilateral relations.

DRAFT PIPELINE TREATY WITH UNITED STATES—REQUEST FOR REFERENCE TO COMMITTEE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, will the minister give assurance that the details of the treaty will be referred to the Standing Committee on National Resources and Public Works before the government makes a final decision?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I have no objection at a certain point to have the treaty, if it is finally approved by both governments, considered by a standing committee.

[*Translation*]

SUGGESTED WITHDRAWAL OF AMBASSADOR TO CHILE TO PROTEST INHUMAN TREATMENT OF CITIZENS

Mr. Louis Duclos (Montmorency): Mr. Speaker, I would like to direct my question to the Secretary of State for External Affairs.

Last week, the New York *Times* published extracts of a book by former Chile Christian democratic President Eduardo Frei in which he denounces the violation of human rights by the facist regime of General Pinochet who, he says, is responsible for torture, political assassinations of his political opponents and repression of labour unions.

[Mr. Sharp.]

Considering the high and strong credibility of former President Frei who is universally known for his moderation and was one of the foremost statesmen in South America in the 60's and who was, by the way, himself opposed to the Allende government, and considering that similar disclosures have recently been made, in particular by Dr. Sheila Cassidy, a British physician, . . .

Mr. Speaker: Order, please. If the hon. member has a question, will he put it now?

Mr. Duclos: In view of those facts, will the minister advise the House whether Canada intends to remain silent and ignore the revolting behaviour of that military dictatorship or will make known in unequivocal terms its reprobation of those barbaric acts by recalling our ambassador from Santiago, if only on a short time basis?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have not given any consideration to the possibility suggested by the hon. member, but Canada has made its position very clear on the question of human rights in Chile. We have made our position known on several occasions and in several ways, both directly to the government of Chile and at the United Nations. We have urged that human rights be respected in that country in accordance with the universal declaration on human rights, so there is no equivocation with respect to the position of the Government of Canada.

However, I believe our concern with respect to human rights in Chile has taken a much more concrete form than the expressions I mentioned. Since the *coup d'état*, Canada has played and continues to play a leading role in the resettlement of people from that country occasioned by the change in regime, and so far nearly 4,000 people have been authorized to come to Canada under our special immigration program. I believe that that is an extremely important aspect of our treatment of the question of human rights in Chile and ought to be borne in mind and related to the consequences which might occur to that important humanitarian program if we took action such as suggested by the hon. gentleman.

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RESEARCH

EFFECT OF REDUCTIONS IN BUDGET—GOVERNMENT POSITION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of State for Science and Technology. Dr. Schneider, the president of the National Research Council, made a statement to the effect that Canada will not be able to hold its own in the international market for new and improved manufactured products in a few years time because of the research cuts announced by the President of the Treasury Board, and there were similar statements by the executive director of the Science Council, which views are supported by most scientists in Canada. Would the minister indicate whether he is bringing these important views to the attention of his cabinet colleagues with a view to reinstating the cut proposed by the President of the Treasury Board?

● (1130)

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, I think the President of the Treasury Board is fully aware of the consequences of the program of restraint being put forward by the government of Canada. There is no question about it, a program of restraint will lead to some diminution of efforts that might otherwise have been made. I think the hon. gentleman has perhaps strikingly overstated the views expressed by both Dr. Schneider and the chairman of the science council.

Mr. Orlikow: Mr. Speaker, I do not know how I can overstate their views when I quoted exactly.

EFFECT OF REDUCTION IN BUDGET FOR MEDICAL RESEARCH—GOVERNMENT POSITION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the directives which the chairman of the medical research council, Dr. Brown, has sent to the deans of medical colleges in which he goes into great detail about the very serious cuts to be made in medical research as a result of the announcement by the President of the Treasury Board, and in view of the unanimous feelings of the deans of medical colleges and medical researchers that those cuts will mean not only immediate but long term and indeed permanent damage to medical research in this country, will the minister discuss with the President of the Treasury Board the elimination of these proposals which amount to a mere $4 million? I am sure the minister would agree these cuts could be made in other services less important than medical research.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, of course it is a question I discussed at length with my colleagues during several weeks. The President of the Treasury Board is aware of the point of view of the hon. member. However, I will be glad to point out again to the President of the Treasury Board the opinion of the hon. member.

* * *

[*English*]

CRIMINAL CODE

REQUEST FOR ASSURANCE OF SEPARATE BILL DEALING WITH CAPITAL PUNISHMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to put a question to the Solicitor General similar to one I asked prior to the recess and questions put yesterday by the right hon. member for Prince Albert to the Minister of Justice. When the Solicitor General brings forward the bill on capital punishment I should like to know whether it will stand alone, separate, apart and clearcut from any other matter contained in the Criminal Code or any other matter as far as criminal law is concerned?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there will be a separate bill dealing with capital punishment and the measures to replace capital punishment.

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NATIONAL CAPITAL

CHANGING NAME OF OTTAWA—GOVERNMENT INTENTIONS WITH REGARD TO NON-STATUTORY PROCEDURES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Acting Prime Minister in connection with a motion I made a few moments ago. Has the cabinet directed the Clerk of the Privy Council, Mr. Pitfield, to communicate with the Deputy Attorney General of Canada to ascertain his views respecting the non-statutory procedures available to change the name of the federal seat of government from Ottawa to the National Capital Region?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I shall have to inquire. I am not quite sure whether this is so or not. It would not of course, require the cabinet to instruct the Clerk of the Privy Council to make this inquiry. At any rate, I shall make inquiries.

Mr. Diefenbaker: A supplementary question. Possibly the minister can tell the House whether there has been any discussion in connection with this matter and, in particular, as to the areas that were to be comprised within the new capital area. Was the government advised by the deputy minister in response to the request of Mr. Pitfield that there would be no need to define in a proclamation the precise boundaries of the capital region? The area should be identifiable since the boundaries of the National Capital Region are precisely defined in the schedule to the National Capital Act.

I should like to know the circumstances under which Mr. Pitfield made inquiries in connection with doing away with the city of Ottawa as the capital and the substitution of the national capital area of Canada. Why was this matter being considered and did this new capital area include any parts additional to the present capital area or the city of Ottawa? What actually happened that resulted in the request by the Clerk of the Privy Council to find out, behind the back of parliament, whether the government could change the name by order in council?

Mr. Sharp: Mr. Speaker, as I said in my original answer I shall make inquiries about the circumstances under which this inquiry was directed.

An hon. Member: Pitfield doesn't tell you anything?

Mr. Sharp: I think the right hon. gentleman is reading a great deal into a question that could arise for various reasons. I really reject the general purport of his question which seems to be that the government would go behind parliament.

Mr. Diefenbaker: That is exactly what I asked.

Mr. Sharp: Oh, no. This question is to the Deputy Attorney General and it is a question that might have been

directed to him for many reasons. If any action like this were taken I am sure parliament would be aware of it.

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AGRICULTURE

REQUEST FOR REPORT ON EFFORTS TO ESTABLISH COW-CALF STABILIZATION PROGRAM

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of Agriculture in connection with the cow-calf industry in Canada. This arises out of discussions the minister had with his provincial counterparts in December. Can the minister advise the House whether a federal-provincial cow-calf stabilization program is being developed and whether any progress has been made in efforts to shore up this badly shaken industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I can only repeat what I said several times in this House. A program will start on January 1, 1976 and terminate at the end of December, 1976, covering the calendar year for beef in Canada. I would say progress is being made in the discussions that are taking place.

Mr. Mazankowski: A supplementary question. In view of the fact that a great deal of damage has been done, going back as far as September, could the minister state whether consideration is being given to making this program retroactive in order to help those producers who have suffered serious damage as a result of depressed prices?

Mr. Whelan: Mr. Speaker, it is very difficult to make it retroactive because some provinces have programs under which payments have been made already. I read in a news release this morning that Ontario is paying out $22 million. Other provinces have different programs, so I do not know how we could make it retroactive and also make it work in a fair and equitable manner. I think that would be an utter impossibility. That was one of the tremendous obstacles we faced last fall when we tried to make a national plan. The minister of agriculture in the hon. member's province wants a national plan and so do I.

Mr. Mazankowski: The minister is addressing himself to the provinces that have had their own specific program other than the province of Alberta where 40 per cent or 50 per cent of the beef is produced. That province has not had a stabilization program. It has waited for the federal government to adopt its stabilization program consistent with the Agricultural Stabilization Act. We are part of Canada and I think the minister should recognize that.

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CONSUMER AFFAIRS

REQUEST FOR ASSURANCE OF ADEQUATE SUPPLY OF MATERIALS FOR HOME CANNING—POSSIBLE MONITORING OF QUALITY

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs who, I hope, has resolved this year to keep the lid on just about everything. Can the minister comment on the advice given to prospective home canners in British Columbia by the outgoing provincial minister of consumer affairs in British Columbia who, as she was leaving her department, suggested that they, as individuals, should write the new minister of consumer affairs detailing their requirements as the only way of ensuring supplies? I would think that we have appointed ministers of consumer affairs, both provincially and federally, in order to make such action unnecessary. Has the minister taken steps, while there is still time, to monitor next summer's supply, and can he reassure the home canners of British Columbia?

[Mr. Sharp.]

● (1140)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the latest information I received from the officials of my department was that two Canadian manufacturers have increased their production of canning jar lids. On the other hand, I am informed that two American companies which supply more particularly the provinces of Alberta and British Columbia have also stepped up production. Moreover, one importer in British Columbia has already found on the foreign market canning jar lids which he intends to import to meet the demand during the current year.

[*English*]

Mr. Johnston: A supplementary question, Mr. Speaker. I have received numerous complaints concerning the quality of canning lids of Canadian manufacture which, in the absence of American imports, have been the only ones available in the west for some years. As this is a matter of interprovincial trade, has the federal minister taken steps to monitor the quality, and assist or advise manufacturers in this regard?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I am not aware of such complaints. If the hon. member wants to send them to me, I shall bring them to the attention of the officials of my department.

* * *

OLYMPIC GAMES

POSSIBILITY OF FEDERAL AID IN FINANCING IF QUEBEC AGREES TO AMEND CONSTITUTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the President of the Treasury Board.

This week, in Montreal, the leader of the Parti national populaire stated, at a press conference, that negotiations would be held between the Quebec and Ottawa governments with a view to having Ottawa help contribute financially towards paying off the expected Olympic Games deficit, in exchange for which Quebec would agree not to put any major obstacles to the repatriation of the Canadian constitution. As this statement is all in all of great interest to the general public, for the information of that

public, can the minister tell the House whether or not such proposals have been made by the parties concerned?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, obviously, the leader of that new party is not aware of what is going on.

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[*English*]

PUBLIC WORKS

REASON FOR DELAY IN BUILDING PROGRAM FOR CANADIAN COASTGUARD COLLEGE IN CAPE BRETON

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Public Works. Since the former minister of transport and the Secretary of State for External Affairs announced in 1973, with great hoopla and fanfare, a building program at what is left of the Canadian Coastguard College at Cape Breton, and since there is depression rate unemployment in that area of Cape Breton, will the minister investigate the situation, ascertain why construction has not gone ahead and expedite it, so that there may be at least short-term employment in the area?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, as I told the hon. gentleman the other day, I will be glad to investigate the matter.

Mr. Muir: A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Calgary Centre.

Mr. Muir: I will remember that, Mr. Speaker. Some other hon. members were allowed three supplementaries.

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ENERGY

OIL—GOVERNMENT INTENTIONS WITH REGARD TO MECHANISM FOR SUBSIDIZING IMPORTED CRUDE

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The legislation creating the Energy Supplies Allocation Board called for this agency to cease operation and disappear in June, this year. As this would leave no mechanism for subsidizing imported crude, and therefore no mechanism for retaining a uniform price across Canada, will the minister indicate what plans the federal government has in mind to look after this matter?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have examined the legislation and I think there is a way whereby the compensation payments can continue to be paid through another device, and arrangements are being made to do just that within my department. As to the question of whether the government will bring back the bill for further consideration, that is to say, reactivate it, I think the government will very likely let the ESAB organization lapse on June 30.

Mr. Andre: A supplementary question, Mr. Speaker. Will the minister give this House, or possibly the Standing Committee on National Resources and Public Works, an opportunity to examine this new proposal for paying the subsidy, so that there may be some open discussion and examination of what the government has in mind? Possibly the minister could consider asking the committee to consider this matter.

Mr. Gillespie: Mr. Speaker, I think there will be plenty of opportunity for this when the main estimates come forward.

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AGRICULTURE

MILK—PROPOSED CONSTRUCTION OF PROCESSING PLANT FOR CROCUS FOODS—REQUEST FOR REVIEW

Mr. Jake Epp (Provencher): Mr. Speaker, in the absence of the Minister of Regional Economic Expansion, may I direct my question to the Acting Prime Minister or to the Minister of Agriculture? Has the government reviewed the offer concerning the $1 million DREE grant for the building of a milk and whey processing plant at Selkirk, Manitoba, for Crocus Foods, and considered whether the offer should be withdrawn in view of statements made by the Minister of Agriculture that milk producers in Canada must reduce production in view of present surpluses. If that review has not taken place, will the government give a commitment to review this offer, and not force Manitoba milk producers to pay for a plant of which they are not in favour? Nor have they had the opportunity to voice an opinion as to whether they are in favour of the plant.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as I am sure the hon. member knows, this matter comes under another minister's department. We do review these matters together and we are concerned about overbuilding and overcapitalizing in this area. If there are too many facilities, it is a waste of money, and we want to make sure that does not happen, as I am sure the hon. member does. We want to be certain that the facilities we have in this country can be improved. We feel that there ought to be in Canada more facilities for the manufacture of certain types of specialty cheeses.

Mr. Epp: It is not a cheese plant, Eugene.

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PUBLIC WORKS

POSSIBILITY OF SPECIAL UNDERTAKINGS TO ALLEVIATE UNEMPLOYMENT IN CAPE BRETON

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Public Works. In view of the crisis proportions of unemployment in the Cape Breton industrial area, and since a second emergency meeting to deal with the crisis is to be held on February 9, will the minister advise the House if he has received any request from other federal government

departments or from the government of Nova Scotia to undertake special public works in this area?

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

Mr. Hogan: Mr. Speaker, the minister did not hear my question.

Mr. Knowles (Winnipeg North Centre): He was not listening.

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AGRICULTURE

CUT-OFF DATE FOR PAYMENT OF SUBSIDY ON CATTLE—ALLEGED LACK OF PUBLICITY FOR PROGRAM

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the Minister of Agriculture. Is it still possible for cattlemen who sold steers and heifers between August 12, 1974 and August 11, 1975, to apply for the 48 cent per hundredweight assistance even at this late date; and, is there a cut-off date for such applications?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think it is still possible. We are concerned, as an awful lot of these people have not applied who should have applied. We know they are entitled to it; I think they can still get it. I mailed applications directly to farmers just yesterday.

Mr. Korchinski: A supplementary question, Mr. Speaker. Since the cattlemen's response to this program was very light, is it possible that the program was not adequately advertised? Is it intended to advertise the program, or, did cattlemen consider the program to be so niggardly that it was not considered it would help if it were advertised?

Mr. Whelan: Mr. Speaker, the reason could also be this: many farmers, if they had applied, might have been put in a higher income tax bracket. The program was advertised. Every provincial department of agriculture and every departmental office carried the forms. We publicized the program in a newsletter, but were criticized for carrying it in a newsletter. In what other way could the cattlemen be informed? I suppose the hon. member's constituency office could do a better job than it has been doing. Maybe the hon. member should return to his constituency every now and again.

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FINANCE

POSSIBLE ASSESSMENT OF NEED FOR DEVELOPMENT CAPITAL AND METHOD OF RAISING IT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question to the Minister of Finance concerns a comment by leading Wall Street financiers to the effect that Canada is its own worst enemy and Canadians cannot expect their Prime Minister to promote socialism while expecting lenders in the United States to lend Canadians money at low interest rates. My question is this: has the minister initiated a sound assessment of the development capital Canada will need in the next five years as well as the manner in which Canada proposes to raise it—where and how?

[Mr. Hogan.]

● (1150)

Hon. Donald S. Macdonald (Minister of Finance): Well, Mr. Speaker, I did not see the particular comment, but I suppose the best comment on the comment is that Canadian governments and Canadian corporations have enjoyed record success in raising funds on the Wall Street market and that, indeed, the current strong position of the Canadian dollar is related to the strength of Canadian issues in that market. So much for the Wall Street commentary quoted by the hon. gentleman. We have indeed been carrying out assessments of the additional capital needs which are likely to arise in the next five to ten years, as well as the sources of capital likely to be available. In my former capacity as minister of energy, mines and resources I had an opportunity of putting these on the record in considerable detail.

Mr. Crouse: My supplementary is addressed to the Secretary of State for External Affairs. In the light of the fact that deteriorating U.S.-Canadian relations is resulting in higher interest charges on loans made in the United States by provincial governments, is it the minister's intention to meet with his counterpart in the United States in the near future in order to alleviate the fears of our most important trading partner concerning the direction being taken toward socialism by this government?

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URBAN AFFAIRS

HABITAT 76—ARRANGEMENTS FOR ACCOMMODATING NON-DELEGATES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. It concerns housing for the 15,000 non-delegates who are expected to visit the United Nations Habitat Conference in Vancouver next May and June. In view of the fact that the federally-appointed Associate Commissioner General for Habitat said that it is the city's responsibility to find housing for the unofficial visitors, and in view of the fact that the Mayor of Vancouver has said it was quite clear from the beginning that the federal government is the host, I should like to ask the minister who is the host of this international conference and what steps does the federal government plan to take to avert a situation which would be a blot upon the conference, upon Canada and upon the city of Vancouver?

Hon. Barney Danson (Minister of State for Urban Affairs): I am delighted that the hon. member has indicated to me how many non-governmental people will be there. This is the first hard figure we have had as to their number and it may help us to plan a little better. Adequate plans are made for the people who will be coming to Vancouver, more advanced arrangements, perhaps, than have ever been made for a conference of this type in any other city in the world. Canada is certainly the host country. I am sure

the people of Vancouver will be wonderful hosts to the conference and the people I have met from all parts of the world are very interested in visiting that city. I hope hospitality will be expressed by everybody in Vancouver.

Some hon. Members: Hear, hear!

Mr. Clarke: I should just like to say that the 15,000 figure was attributed to the federal government's Director-General, Mr. Keenleyside.

Some hon. Members: Oh!

Mr. Clarke (Vancouver-Quadra): May I ask what steps the federal government is planning to take in order to avert a problem which is clearly developing in this area?

Mr. Danson: We have a secretariat in Vancouver and, of course, in Ottawa, but mostly in Vancouver, working very closely with all officials there to make certain there is adequate accommodation and back-up because it is quite uncertain how many people will be there precisely—it could be 15,000, it could be 5,000. But we want to work closely with the City Council of Vancouver and discuss these arrangements with the Council so that we do have the necessary back-up and so that confusion may be avoided.

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INQUIRY OF THE MINISTRY

Mr. Gordon Ritchie (Dauphin): A question for the Minister of National Health and Welfare, Mr. Speaker. As the minister has accused business and labour leaders of reacting to the debate initiated by the Prime Minister on the free enterprise system in a manner which he described as "an empty polemic", may I ask the hon. gentleman how he expects labour and business to respond?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, contrary to what the hon. member said, it has never been a matter of debate on free enterprise. That is precisely why it was qualified of empty polemic and slogans. I therefore refer the hon. member to the text of my speech; he will then see exactly what I said.

* * *

[*English*]

EXTERNAL AFFAIRS

POSSIBILITY OF INTRODUCING MEASURE TO EXTEND JURISDICTION OVER MARINE RESOURCES TO 200 MILES

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I address a question to the Secretary of State for External Affairs? It is prompted by the fact that at this moment there is a meeting taking place in the United States between a delegation from this Parliament and members of the U.S. Congress and that one of the subjects being discussed is the 200-mile limit. In view of the passage through the United States Senate this week of legislation declaring the intention of the United States to impose a 200-mile limit, making it, now, a resolution of both houses of the U.S. Legislature, may I ask the minister whether he intends to present a similar resolution to this House before the opening of the Law of the Sea Conference in New York, a move which would considerably strengthen the hand of the Canadian delegation.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I am following developments in the United States. As I understand it, the effective date of enforcement proposed in the U.S. legislation is the middle of 1977. Yet to be clarified is what happens when the joint effort is made between the Congress and the Senate to reconcile their legislative efforts. As far as Canada is concerned, we are not obliged to enact legislation in order to give effect to a 200-mile limit, as is the United States, because under present legislation all that is required is notice of 60 days to give effect to such a proposal. There is certainly a question mark in my mind as to whether there would be any advantage to Canada in moving at this point in the light of the projected date of effective enforcement of a 200-mile limit by the United States, the middle of 1977. I can assure the hon. member, however, that Canada, while it prefers the negotiative route, would act at any time in order to protect Canadian national interests.

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LABOUR CONDITIONS

DATE OF TABLING OF HALL REPORT ON RAILWAY PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour? A very long time ago the minister said he hoped to table soon the report of Dr. Noel Hall, the Commissioner appointed to inquire into all aspects of railway pensions. The last time the hon. gentleman made a prediction he said it would be tabled before the end of January. Would the minister now tell the House when we can expect this report?

Hon. John C. Munro (Minister of Labour): As the hon. member knows, concern with regard to the availability of this report has been communicated to Dr. Hall. He is fully aware of the circumstances and I am satisfied he is doing his best to get it in as soon as possible. I cannot give the hon. member a precise date but as soon as I can I will inform the House.

* * *

NATIONAL CAPITAL

CHANGING NAME OF OTTAWA—GOVERNMENT INTENTIONS WITH REGARD TO NON-STATUTORY PROCEDURES

Hon. Ron Basford (Minister of Justice): Mr. Speaker, a while ago the right hon. member for Prince Albert asked some questions and I thought that before the end of the question period I might throw some light on the subject he raised. I am advised that the Deputy Attorney General some time ago gave a legal opinion to the former chairman of the National Capital Commission, Mr. Douglas Fuller-

ton, for the purpose of the study Mr. Fullerton was conducting at the request of the government, a study which is the subject matter of a discussion before a committee of this House. It is clear that the capital can be named by the Queen of Canada pursuant to the BNA Act. This, I suspect, is something to which the right hon. gentleman is not adverse.

Mr. Diefenbaker: That is not to be.

● (1200)

Mr. Basford: The national capital region was established, of course pursuant to the National Capital Commission Act which was written and passed by parliament during the term of government of the right hon. gentleman.

Mr. Diefenbaker: On a point of order, Mr. Speaker, the observations made by the Minister of Justice indicate his entire disregard for the facts. I ask him to produce the letter that was written to the Clerk of the Privy Council by the deputy minister of justice in which, as I recall it, he was asked to give his views as to whether a change in the capital's name of Ottawa can be brought about in a non-statutory manner. If he will produce that letter, the cat will be out of the bag.

Mr. Stanfield: Mr. Speaker, on a different point of order, in view of this little departure, and without any attempt, I assure Your Honour, to indicate to you how you should conduct the House, I know that the hon. member for Cape Breton-The Sydneys had an important supplementary and I wonder whether the House would agree to his putting that supplementary question.

Mr. Speaker: Order, please. Part of the discretion I exercised with respect to the supplementary question of the hon. member for Cape Breton-The Sydneys had to do with the fact that he had the opportunity, and took advantage of it, at an earlier time this week to put a similar question. It is a matter of great concern to him and his constituency, but I know that the same or a similar question was put by the hon. member for Cape Breton-East Richmond.

It is possible that the Minister of Public Works, to whom the question was put, did not hear the question but I had no indication to that effect and was not able to allow either member, I thought in some order of consistency with previous rulings that I had made on supplementary questions, to pursue the matter further, since the answer given by the minister was that he would look into it and he had given that same answer earlier. I thought that it was a proper and consistent exercise of discretion to stop the matter there. However, if the minister has anything to add for either member at this point, perhaps he may have the opportunity to do so.

Mr. Muir: Mr. Speaker, I rise on a question of privilege. I should like an explanation of why members of parliament do not have equal rights in this House. I have been a member here for 18 years. At no time, if Your Honour will check the record, have I ever abused the rules. I believe we all got here in the same way, even you, Mr. Speaker.

The question I wanted to raise was so important that the Premier of the province of Nova Scotia, at the request of the hon. member for Cape Breton-East Richmond, convened a meeting in Sydney at which all parties were represented. The question that I raised today was not the same question that I raised earlier this week; it concerned another project altogether. Out of that meeting came ideas to try to get the federal government, the provincial government and Crown agencies to provide some type of employment in the area, even if only short-term, in view of the very serious situation.

Frankly, sir, with all due deference, I feel I have been discriminated against. If Your Honour checks the record you will find that rarely do I get an opportunity to be heard: once last week, once this week. I ask you to check the record going back a number of months. I have records indicating that I have risen 20, 25, 27 times, with no recognition. I wanted to raise a supplementary question, but no, I could not do so. Other hon. members get one, two, three supplementary questions. I just want an explanation as to why the discrimination against me and against Cape Breton, against my constituency and people.

Some hon. Members: Oh, oh!

Mr. Muir: I am being very frank, Mr. Speaker, and hon. members across the way can try to howl me down, as they do all the time. All I want is a little fairness. I think the question is so important that we should have some little opportunity to speak on behalf of our constituents. Please check the record and you will find that there are those who ask two, three and four questions in a week, while other members have difficulty asking one. It may be fair, I do not know, but I think we all got here the same way.

Mr. Speaker: Order, please. The hon. member raises a question of privilege in regard to his particular treatment at the hands of the Chair. I regret that he is evidently dissatisfied with it. He refers to having had an opportunity to ask a question last week. I would remind him that, obviously, that must have been an earlier opportunity this week, since the House only began to sit this week.

Mr. Muir: This week.

Mr. Speaker: That being the case, I think I was correct. I have checked my own records, and the hon. member has had two opportunities. Today I tried to make sure that every member of the opposition who had attempted to be recognized during the question period this week had an opportunity, and I think I accomplished that, probably to the detriment of some members, individually, to have an opportunity to ask a supplementary question.

The hon. member put a question to the minister and his answer was, as has been the case with many ministers on previous occasions, that he would look into the matter. The language used by the hon. member today was to ask for some short-term relief from the Minister of Public Works for the very severe unemployment situation that exists in the hon. member's constituency. The language was identical to the language that he used on Wednesday. The question may have been about a different project, but I hope he will understand that it is extremely difficult for the Chair, on hearing such identical language, to separate the two projects. Neither is there any way that I am able to conclude that there have been meetings about the matter, that

the situation has been so severe, because there is no indication given in the question as to whether that kind of urgent matter has been the subject of a meeting with the provincial premier. There simply is no way the Chair can determine that.

In an attempt to be consistent, where ministers indicate that they will look into a matter and come back with a further answer, generally speaking I have not permitted a supplementary, because when the minister does come in with further information it is always the desire of the questioning member then to pursue the matter with supplementaries and run it to the ground. That is the practice that I have followed in the past and I was only being consistent, I thought, with the hon. member. I regret, as well, that the question, despite its importance to the area of Cape Breton, was not followed up or pursued; but, again, the Chair could have no control over that.

It is, of course, always a fact of life in this chamber that individual members get different treatment on different days. The Chair has to decide instantly whether a question should be followed by a supplementary or whether, in the interests of other members trying to get the floor, other people should be recognized and, again depending on their questions, whether there should be one supplementary or no supplementary. That is a fact of life with which we all have to live. Sometimes it makes people happy, sometimes it does not; but in every case the Chair has to do the best it can under the circumstances.

Mr. Blais: Mr. Speaker, I seek the floor on a point of order that may well develop into, and may well be a question of privilege affecting Your Honour's privileges, and, through you, Mr. Speaker, the privileges of all members of the House. My point of order arises because of statements made last evening, during the adjournment proceedings, by the hon. member for High Park-Humber Valley. In his statements, the hon. member imputed motives relating to the exercise of Your Honour's functions and duties in this House. I am now advised that the hon. member is not present today; I would, therefore, seek Your Honour's permission to raise this particular point again on Monday, in order to permit the hon. member for High Park-Humber Valley to be present when I again raise it.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am sure the parliamentary secretary would not want to appear to be putting himself in the position of being the judge, either of the remarks or of the intentions of the hon. member. However, I think the parliamentary secretary's point is well taken. I would ask Your Honour to hold this matter over until the first opportunity when the hon. member for High Park-Humber Valley is in the House.

Mr. Blais: Mr. Speaker, on the same point of order—

Mr. Speaker: Order, please. I have heard the hon. member's point of order and it is perhaps an important one. The hon. member who has just raised a question of privilege concerning the problems in Cape Breton will at once realize that at least there has been some consistency, in that yesterday the hon. member just referred to was complaining rather bitterly that he was unable to ask a supplementary to a question on amateur sport. The hon. member has referred to the fact that some reference was made to the Chair in the adjournment debate last evening, and I would just as soon leave the matter over until the hon. member has had an opportunity of explaining his remarks.

● (1210)

Mr. Hogan: Mr. Speaker, I rise on a point of order. With due deference to your office, I wish to state that there was a difference of kind, as well as degree, in the question I directed to the Minister of Public Works, from the one asked by the hon. member for Cape Breton-The Sydneys. I think the minister was temporarily sleeping. As a clergyman, I am used to putting people to sleep with sermons, but never with questions.

In view of the crisis situation with regard to unemployment in the Cape Breton industrial area, and as a second emergency meeting to deal with the crisis will be held on February 9—and this is terribly important to those who are suffering from unemployment—will the minister advise if he has had any requests from other federal government departments or the provincial government of Nova Scotia to produce some special public works for that area? That is a simple question.

Mr. Drury: Mr. Speaker—

Mr. Speaker: The Minister of Public Works, on a point of order.

Mr. Drury: I thought I was answering the question.

Mr. Speaker: We have been over this ground several times. There is some pressing urgency to this matter. I do not like to take a strong technical stand in the face of questions that have some substance. The fact is that the question period is long over. If the minister is to now give a reply, it has to be by way of a point of order.

Mr. Drury: Mr. Speaker, I confess that I did not hear the question. The reason for not answering was not that I did not want to, but merely because I did not hear it. Having now heard it, I will be glad to make inquiries.

Mr. Clarke (Vancouver-Quadra): Mr. Speaker, I rise on a point of order. I had hoped the passage of time would have eliminated my point of order. It arises from a question I put to the Postmaster General on Tuesday of this week. The minister replied as reported at page 10348 of *Hansard*. I quote a few words from his answer:

—but I will get more detailed information for the hon. member before tomorrow.

I recognize that the Postmaster General has not been in the House since Tuesday, but I have been around and available to receive this more detailed information. Members on this side are probably resigned to not receiving proper answers from time to time. However, when detailed information is promised by a certain date and is not forthcoming by that date, it most certainly interferes with the function of the official opposition and members on this side of the House. That is the point of order I would raise. I protest most strongly to the Acting Prime Minister for allowing this sort of treatment by his cabinet.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. It relates to the matter raised by the right hon. member for Prince Albert. The reason for my raising this matter is well known by the President of the Treasury Board; in fact, he introduced it.

There was a reference by this House, and a reference by the Senate, with regard to the whole question of the national capital. In view of that reference, the fact that the matter is before a committee of this House, and in view of the opinion sought in the question and in the motion under Standing Order 43, I believe that this House and the committee are entitled to an explanation by the President of the Treasury Board with regard to the policy and the government's dealing with the name of the national capital.

On this very fundamental and important matter, does the government, as a matter of policy, intend to follow the example of the Finkelman committee with respect to Bill C-52 and make a statement as to the government's intentions with regard to the national capital? More than that, the government House leader owes this House an explanation as to whether it is the policy of the government to permit this important matter to be determined by order in council rather than by action of this House, or perhaps both Houses of Parliament.

I believe this is a valid point of order. It relates to how the government intends to carry out its function with regard to the very important joint committee on the national capital.

Mr. Sharp: Mr. Speaker, the hon. member will have an opportunity before the committee to raise these questions. The government will be happy to co-operate in whatever way may be useful. The question was directed to me by the right hon. member for Prince Albert and I said I would inquire into the circumstances under which the opinion was sought. The Minister of Justice has added to the explanation. However, I would think that the committee would be the best place to pursue this matter.

Mr. Danson: Mr. Speaker, I rise on the same point of order. The hon. member's question was really dealt with in my opening statement to that committee when we spoke of the national capital region and the seat of government. As a matter of fact, I spent some time asking for responses from the committee on this whole question which is an exercise in semantics in many cases. We would welcome the opportunity to have this matter discussed by the committee, and the views of parliament presented to the government in the report.

[Mr. Clarke (Vancouver-Quadra).]

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION BOARD

TABLING OF BOARD'S REPORT ON IRVING PULP AND PAPER COMPANY

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table a report of the Anti-Inflation Board on the reference of the Irving Paper matter from the board to the administrator under the Anti-Inflation Act.

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[*Translation*]

PUBLIC ACCOUNTS

TABLING OF REPORT

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, pursuant to Standing Order 41 (2), I wish to table, in both official languages, the report on the study of the accounts of Canada.

[*English*]

Mr. Speaker: The Secretary of State for External Affairs has given an indication of his intention to make a statement today. I wonder if hon. members would agree that we ought to finalize the rest of routine proceedings before calling on the minister.

Some hon. Members: Agreed.

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CONSUMER AFFAIRS

MEASURE RESPECTING CANCELLATION OF CREDIT CARD PURCHASES

Mr. John Reynolds (Burnaby-Richmond-Delta) moved for leave to introduce Bill C-425, respecting the cancellation of credit card purchases.

Some hon. Members: Explain.

Mr. Reynolds: Mr. Speaker, this bill will make it possible for dissatisfied consumers to take action against the issuer of a credit card for the recovery of money paid to a supplier for goods or services which are unsatisfactory and which have been paid for by credit card. The act would apply in respect of credit cards issued by federally-incorporated companies and banks for amounts over $50.

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

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[*Translation*]

PUBLIC ACCOUNTS

REFERENCE OF REPORT TO STANDING COMMITTEE

Hon. Jean Chrétien (President of Treasury Board) moved: That the document entitled "Report on the study of

the accounts of Canada" be referred to the Standing Committee on Public Accounts.

● (1220)

[*English*]

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, we welcome the long-awaited study of the accounts of Canada tabled by the President of the Treasury Board. It was in May, 1973, that the Treasury Board secretariat first announced its intention to critically examine the concepts underlying the financial information system of the government through an interdepartmental steering committee. For many years the Standing Committee on Public Accounts, and the Auditor General, in their respective reports have questioned certain financial practices as being inconsistent with the stated principles on which the government's accounts are kept.

It is refreshing, therefore, to see the initiative taken by Treasury Board, in response to the committee and the Auditor General, to examine "the purposes, principles and practices which should govern the form of the accounts of Canada" and to present constructive proposals for parliament's consideration so that the accounts of Canada reflect a fair, complete and accurate record of the Government of Canada's finances. Furthermore, Mr. Speaker, as parliamentarians and as users of the accounts of Canada, we welcome this report if the proposals presented help us in our daily task to examine more meaningfully government expenditures and, indeed, help us to strengthen parliament's control over the public purse.

We welcome the referral of this study to the Standing Committee on Public Accounts and will be pleased to report back to this House in due course on our deliberations.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): We agree to this motion, Mr. Speaker.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,564, 3,649, 3,715, 3,776, 3,868 and 3,900.

Order Paper Questions

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

[*Text*]

CIDA CONTRACTS WITH CANADIAN UNIVERSITIES

Question No. 1,564—**Mr. Munro (Esquimalt-Saanich):**

1. Since 1968 (a) how much "Contract Work" in dollar terms was assigned by CIDA to Canadian universities (b) to which universities (c) how much to each on a year by year basis?

2. Did the contract include travel costs or were there separate claims and, if the latter, how much was claimed by each university on a year by year basis and on a project by project basis?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): 1. The figures on contract work in dollar terms assigned by CIDA to Canadian universities for the years 1968 to 1973 are unavailable. The figures for the years 1974-75 and 1975-76 are as follows:

Canadian Universities	Contract Work Assigned	
	1974-75	1975-76
Alberta		13,000.00
Algonquin College	32,400.00	2,400.00
British Columbia		380,000.00
Guelph		158,000.00
Guelph	1,000,000.00	
Guelph	60,000.00	
Guelph		10,000.00
Guelph	445,000.00	
Laval		2,025,000.00
Laval		15,000.00
Laval	75,000.00	
Laval	25,000.00	
McGill		25,000.00
McGill		20,000.00
McGill	2,500,000.00	
Montreal	2,200,000.00	
Montreal		143,400.00
New Brunswick		4,500,000.00
Ottawa		21,780,00
Ottawa	1,350,000.00	
Ottawa		125,000.00
Regina	50,000.00	
Ryerson Polytechnical Institute	100,000.00	60,000.00
Sherbrooke	13,600.00	
Toronto	325,600.00	
UQUAM	1,705,000.00	
Waterloo	2,800,000.00	
Windsor		200,000.00
York	1,500,000.00	

2. The information requested is unavailable.

CIDA CONTRIBUTIONS TO CUBA

Question No. 3,649—**Mr. Herbert:**

What contribution has been made by CIDA in each of the past five years to projects (a) in Cuba (b) having an impact on trade with Cuba?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): In so far as the Canadian International Development Agency is concerned, the reply is as follows: (a) 1971-72, $.00; 1972-73, $5,400.00; 1973-74, $427,100.00; 1974-75, $451,800.00; 1975-76, $264,500.00 (as of December 31, 1975). (b) Our program of cooperation with Cuba includes several fields such as agriculture, cattle raising, health and medical equipment, electronics,

engineering management training, pulp and paper industry, citrus fruit production and fishing. The activity of CIDA in all these sectors is often complementary to commercial activities between Canada and Cuba. In particular, CIDA is in the process of conducting a large training program for Cuban students in Canada which will not only contribute to their own advancement but also enable them to better understand the opportunities in the Canadian market and initiate them to the technology used in our country. However, CIDA does not undertake formal evaluations of the impact of these projects on commerce between Canada and Cuba.

REPORT ON ELECTRONIC DATA PROCESSING

Question No. 3,715—**Mr. Reynolds:**

1. With reference to the answer to Question No. 1,998, was the EDP Policy Project Report, dated November 30, 1971 on Electronic Data Processing in the government approved by the Treasury Board's Secretariat?

2. What is the number of (a) departments operating computers (b) departmental computer centres?

3. What is the total number of EDP personnel in the government?

4. What is the direct cost of the EDP Programme?

5. For the year 1971-72, what was the overall total of EDP expenditures?

6. For the year 1975-76, what is the estimated overall cost of EDP expenditures?

Hon. Jean Chrétien (President of Treasury Board): 1. The EDP Policy Project Report, November 30, 1971, was prepared by the Treasury Board Secretariat and approved by the Treasury Board.

2. (a) Eighteen departments operate computers in 1975-76. (b) Of the number in (a) there are nine designated departmental computer centres.

3. The number of directly-related EDP personnel in the government for 1975-76 is estimated at 7,900: —425 managerial; 2,353 systems and programming; 2,445 data conversion; 1,242 data production; 1,435 others.

4. *The direct cost of departmental EDP activities for 1974-75 was $162,567,000.

5. *The direct cost of EDP expenditures for 1971-72 was $83,060,000.

6. *The direct cots of EDP expenditures for 1975-76 is estimated at $193 million.

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*Direct EDP cost includes only the salaries of EDP staff, the cost of EDP equipment and supplies, and the direct purchase cost of EDP services obtained from non-government sources.

USE OF CHATEAU MONTEBELLO FOR LANGUAGE COURSES

Question No. 3,776—**Mr. Cossitt:**

On how many occasions has the Chateau Montebello been used by the government for total immersion French language sessions and, in each case (a) what were the dates and length of time (b) how many persons were involved (c) what was the total cost by (i) day (ii) entire session?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): The Public Service Commission sent me the following information:

[Miss Bégin.]

Course: French Immersion

			Chateau Montebello	
Date 1975	Number of days	Number of students	Cost per day per group	Cost per session per group
April 21 to 24	3	7	140.00	420.00*
November 12 to 14	3	7	337.96	1,013.88
December 8 to 11	3	15	728.85	2,186.55

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* The teaching unit paid $140 a day. It was agreed (and accepted by the seven students concerned) that costs exceeding this minimum would be paid by the students themselves. Following the recent federal government statements on austerity measures, the Public Service Commission has revised its guidelines on student excursions, and the use of first-class hotels is no longer permitted.

CANADIAN INVOLVEMENT IN ROSE BOWL PARADE IN PASADENA, CALIFORNIA

Question No. 3,868—**Mr. Nystrom:**

1. Did the Treasury Board approve the expenditure of funds in conjunction with Canadian involvement in the Rose Bowl Parade in Pasadena, California, January 1, 1976 and, if so (a) in what amount (b) on what date (c) for what purpose?

2. Which departments requested such funds from the Treasury Board?

3. Was the amount approved (a) greater (b) smaller than the amount originally requested and, if so, by what amount?

Hon. Jean Chrétien (President of the Treasury Board): 1. Yes. (a) $183,000 (b) May 1, 1975 (c) Canadian participation in a ten-day program in Southern California, commencing January 1, 1976, including participation in the Pasadena Tournament of Roses Parade, The Rose Bowl Pre-game Show, and the Disneyland Bicentennial Parade. This amount covers transportation, accommodation and living expenses for the RCMP Musical Ride, the all-Canadian Pipe Band, and a combination Brass Band from the R22eR and PPCLI.

2. External Affairs requested this as incremental funding from Treasury Board as part of the Canadian participation in the commemorations of the U.S.A. Bicentennial.

3. The inner workings of cabinet and cabinet committees are traditionally considered confidential matters.

PRIME MINISTER'S HOLIDAY IN DECEMBER, 1975

Question No. 3,900—**Mr. Cossitt:**

1. Did the Prime Minister use government aircraft for his holiday trip to Western Canada at the end of December, 1975 and, if so (a) which aircraft (b) what was the cost per hour of maintaining such aircraft in the air (c) how many hours of flying time were involved (d) what was the cost per hour of waiting time on the ground (e) how many hours were involved (f) what are the details of all flights made by such aircraft during the holiday trip including (i) places and times of departures (ii) places and times of arrivals (iii) names of persons on board at any time during the interval?

2. Was the aircraft kept waiting anywhere during the time the Prime Minister spent in Western Canada and, if so, what was the cost for keeping the crew on standby including salaries, accommodation and other expenses?

Hon. Mitchell Sharp (President of the Privy Council): 1. No.

2. Not applicable.

[*English*]

Mr. Speaker: In conformity with previous arrangements, the House will now revert to the tabling of documents and statements by ministers in order to permit the tabling of documents and a statement by the Secretary of State for External Affairs.

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EXTERNAL AFFAIRS

SIGNING OF NUCLEAR CO-OPERATION AGREEMENTS

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I wish to advise the House that nuclear co-operation agreements have been signed with the governments of the Republic of Korea and the Republic or Argentina. I am tabling copies of the texts of these agreements. I should also like to table the background paper on nuclear safeguards and Canadian safeguards policy which may be of interest to hon. members, and also extracts from a document published by the International Atomic Energy Agency which outlines the safeguards procedures and inspection systems in place by the International Atomic Energy Agency.

The agreement with the Republic of Korea was signed, as I mentioned yesterday, at Seoul on January 26. I will allow the sale to the Republic of Korea of a CANDU power reactor produced by Atomic Energy of Canada Limited to go forward. The attendant commercial and financial arrangements have already been concluded. The Republic of Korea, as hon. members are aware, is a developing country which is in the process of significant industrialization.

The economy of the Republic of Korea is basically sound. Its pattern of growth has been remarkable in recent years, but it has large power requirements over the coming periods which its indigenous fuel resources are not in a position to satisfy. As part of its efforts to generate sufficient energy for its programs of industrialization and development, the Republic of Korea has established a significant program of nuclear power generation. The acquisition of a CANDU power reactor is intended to supplement the country's nuclear power generation program. The Republic of Korea is already building a power reactor supplied from the United States and is contracting for one additional unit from that source.

The agreement with Argentina was signed in Buenos Aires today. It covers the sale of a CANDU reactor to the Argentine Republic and attendant technical co-operation pursuant to contracts which were concluded in 1974. Worldwide inflation since that time has created difficulties and the commercial terms of those latter contracts are currently being renegotiated.

Nuclear Co-operation Agreements

Argentina is an important Latin-American country which has had harmonious relations with its neighbours for over 100 years. It is a member of the International Atomic Energy Agency. It has had a successful nuclear development program for over 25 years and operates a number of reserach reactors as well as a heavy water moderated power reactor built with the co-operation of the Federal Republic of Germany.

The co-operation to be undertaken under these two agreements reflects the position announced by the Prime Minister (Mr. Trudeau) in 1975 when he noted that Canada would continue to seek to make available to developing countries the benefits of the peaceful applications of nuclear energy, provided that adequate guarantees against the possible diversion of such co-operation to non-peaceful, explosive purposes were available. This is a position endorsed by other nuclear suppliers.

These agreements provide that identified nuclear exports, including nuclear technology in physical form, shall only be authorized on the basis of coverage by an intergovernmental guarantee: First, that the items supplied or items produced with these, including subsequent generations, will not be diverted to any non-peaceful or explosive purpose; second, that these guarantees are verified through inspection mechanisms of the International Atomic Energy Agency; third, that the retransfer of items supplied and items produced with these including subsequent generations of nuclear material only be done with the consent of the Government of Canada; fourth, that the enrichment and reprocessing of nuclear material supplied, or nuclear material produced with times supplied, only be done with the consent of the government of Canada; fifth, that IAEA safeguards and other mechanisms of bilateral verification for aspects of guarantees, where the IAEA system is not applicable, be in place for the life of the supplied item or for items susceptible to these guarantees produced from these items; and sixth, that adequate measures for the physical security of materials be in place to protect the supplied items from the threat of subnational diversion.

The safeguards commitments, including the application of the International Atomic Energy Agency inspection system, undertaken by the Republic of Korea and the Republic of Argentina represent juridical assurances of a high order which fully meet international standards and Canadian safeguards policy.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the question is whether these agreements for the sale of nuclear reactors and arrangements regarding nuclear co-operation are adequate. Our experience with India has shown the danger that technology can be used to develop techniques for the making of nuclear explosions or which have the potential at least for atomic or nuclear bombs. In view of the Indian experience, we in Canada, and the Government of Canada, have a special responsibility regarding the sale of nuclear reactors. I recognize the potential for contradiction inherent in the concept of non-proliferation, that is, that everybody will agree not to proliferate the use of nuclear bombs, and this sort of thing, and that in compensation the benefits of nuclear knowledge will be shared generally. I recognize the potential

contradiction involved, therefore, in imposing severe limits upon the sale of nuclear reactors.

● (1230)

I recognize, also, the importance of sharing the benefits and the risks of a growing tendency to reject the concept of non-proliferation if countries without other sources of electricity and power are denied the benefits of this kind of reactor. But the risks of illicit proliferation such as, I am afraid, took place in India are so great, and the process of illicit proliferation constitutes such a menace to world peace, that I believe it is far better for us to take some time to get in place solid international safeguards for peace. Certainly, it is not good enough to claim that we are imposing the highest standard of safeguards in the world, if that should happen to be true, because the question with regard to either or both of these sales is: Does this sale by us constitute a serious risk in the total context, which includes what other countries are now doing or may be doing with the regard to the sale of plutonium recycling plants, for example? We must look at the total context.

It is said that France is prepared to sell a plutonium recycling plant. The minister made no reference to this in his statement about Korea, nor in connection with the Argentinian situation did he make any reference to the report that West Germany is prepared to make a very large package deal with Brazil. The assumption among many people is that this may lead to nuclear rivalry between Brazil and Argentina. This is part of the context in which Canada is entering into these agreements with Korea and Argentina.

There is only one reason why today a country like Korea, or any modest country, would want a recycling plant, and that is to develop fissionable material suitable for the development of bombs—because it is not economical in terms of the development of electrical power. So we can talk about our humanitarian desires, our desire to help Korea in peaceful development, and the same with Argentina, but is this so much our motivation in making these sales as our desire to make the sales?

Some hon. Members: Hear, hear!

Mr. Stanfield: It is important that we have very strict agreements and a very strict understanding among all countries which are capable of exporting reactors or nuclear technology. I hope Canada and the other countries involved, of which there are only a relatively small number, develop such a strict agreement. It is now reported that some kind of agreement will be reached but it will be far from strict. I believe Canada should have been prepared to wait and to ask for a general moratorium, to set an example by demanding adequate safeguards to be provided by all the countries capable of exporting reactors or nuclear technology. I suggest this particularly in view of the unstable situation that exists in the part of Asia where Korea is located, and certainly the unstable conditions that exist within Argentina.

When you look at these agreements and safeguards that are negotiated, what do you find? I have not had an opportunity to examine them fully, because the minister sent us copies of these agreements only today at 10.30 a.m. I know he has a very high view of my intelligence, but my intelligence is not such as to allow me to analyse these complicated documents within that period of time. But it is a matter of such importance that I would suggest to the hon. gentleman, old parliamentarian that he is, that even from his government vantage point he could not regard this as a satisfactory method of discussing an arrangement of such vital importance to the world.

In the United States the government has to go to Congress before a deal is completed so that Congress has an opportunity to raise objections. That is the minimum which this government should be prepared to provide for this parliament. The way we are now proceeding is most unsatisfactory. In matters relating to something as basically important to this country and to the world as the sale of a nuclear reactor and the possible consequences of that sale, this government should be prepared to table in the House the agreement it proposes to make and give parliament a reasonable opportunity to study the proposals and to raise objections, at the very least.

Much of the technology that has been made available to Korea and to Argentina can be applied to non-peaceful purposes. We have no assurances and no indications that the sanctions will be adequate. What could Canada do if Argentina or Korea failed to live up to these obligations? The minister said there would be inspections under international arrangements. I have no reason to believe, from anything I knew before or from anything the minister has said today, that the quality and degree of inspection that can be provided by an international agency is at all adequate to prevent unfortunate consequences from developing. Certainly, the minister could not give us any assurances today. I have no reason to believe that international inspection arrangements are adequate today, or that the international agents will in fact be in a position to inspect all the aspects that are necessary.

I do not want to take too much time, but I do not apologize for the time I am taking because these matters are very important. I say that Canada's inspection and control in these two situations seems to be very limited. I say that the context as a whole is dangerous. I say that our government should be prepared to wait and to push for really adequate international arrangements before rushing into these sales. Also, I say it is unfortunate that so many exporting countries which have the technology are taking a commercial approach to the sale of nuclear reactors and nuclear technology. I am sorry to see my own country seeming to give such weight to the commercial aspects of these arrangements.

Some hon. Members: Hear, hear!

Mr. Stanfield: I do not ask the minister what the terms of the deal are with regard to financing and this sort of thing. It is too late to stop this. But I hope the government will give us an undertaking that there will be no further completed transactions of this sort until such transaction is tabled in the House, as is the case in our neighbouring country. I ask that we not be presented with a fait accompli; that we be given an opportunity to study what is being proposed—and, who knows, we might even be able to bring something to the attention of this government which could be useful to it.

● (1240)

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, many thousands of Canadians will be saddened today by the announcement the minister has just made, especially coming from a minister for whom many Canadians have deep respect. When he was appointed to this high office many of us hoped he would pursue a foreign policy for Canada which would not be dominated by commercial considerations. The minister said in the statement he made a few moments ago that the signing of these agreements with Argentina and South Korea was in line with the statement of the Prime Minister (Mr. Trudeau) in 1975, to the effect that Canada would continue to make available to developing countries the benefits of nuclear energy, provided there were adequate guarantees against the possible diversion of such facilities to non-peaceful or explosive purposes.

Therefore, the whole question arises as to whether it is possible to have adequate guarantees and adequate safeguards. Just a few days ago an American nuclear scientist visiting Canada said there can be no adequate safeguards and that the only wise course to follow is to reduce the sale of nuclear reactors wherever the political situation is unstable and unpredictable. Certainly, the two countries with whom the government has just signed an agreement would come into the class of being both unstable and unpredictable.

The minister is placing his entire faith in the periodic inspections which will be made by the International Atomic Energy Agency, commonly known as IAEA. This organization has neither the power of enforcement nor the adequately trained staff to ensure adequate safeguards. The last report shows that the IAEA has 135 employees of whom less than 70 are nuclear scientists. In 1974 there were 562 nuclear plants in 33 countries, in 1975 there were 650 nuclear plants in 38 countries, and it is anticipated the figure will be well over 1,000 by 1980. How do less than 70 nuclear scientists possibly hope to carry on adequate inspection services in a situation like that?

The IAEA is doing its best; there is no doubt about that. They recently reported, however, that only 95 per cent of the plutonium extracted from the radium waste of reactors could be accounted for with accuracy. They hope, they say, in a number of years to get this up to 99 per cent. That may sound very comforting to some people, but let us consider the situation. It is estimated that in 1975 there were 17,000 pounds of plutonium produced. Now, 5 per cent of that is 850 pounds, from which could be made 55 nuclear bombs. Even when we get to 99 per cent of a certainty with respect to accounting for plutonium, that still leaves 170 pounds, which is enough to make 10 or 11 nuclear bombs.

The danger is not just the possibility of a nuclear war. One of the real dangers is that terrorist groups may get their hands on quantities of plutonium. Neither South Korea nor Argentina, in my opinion, can be considered stable in the present world situation. No one who was at the discussion at the United Nations a few months ago when the whole question of North Korea and South Korea was before the United Nations General Assembly would think for a moment, with the gathering troop concentrations on the border, that the possibility of an outbreak of war is extremely remote. It certainly is not. There could be war on that peninsula at almost any time. Argentina has had political instability for some time and there is a distinct possibility that the government there might be overthrown. What kind of government will take its place, a government for whom we have made it possible to produce plutonium and to make nuclear weapons?

The danger does not really lie in the nuclear reactor. The danger lies in the toxic waste from the reactor from which plutonium can be extracted. The only way to extract it is with an extraction plant or reprocessing plant, and both South Korea and Argentina have purchased reprocessing plants. It is significant that the United States and the United Kingdom have both refused to sell reprocessing plants to these countries, but they have been able to secure them from France.

When the minister was going to Korea some months ago, we asked him if he would ascertain from the President of South Korea why that country had obtained a reprocessing plant. When the minister came back he told us in the House that the President had assured him that the reprocessing plant was for scientific research. How naive can the minister be? The only possible purpose in having a reprocessing plant is to extract plutonium, and the only possible use for a toxic commodity like plutonium is to make bombs. Yet both of these countries have reprocessing plants, and we are selling them nuclear reactors. They already have other nuclear reactors but they are now going to get a CANDU reactor by virtue of this agreement.

I submit to the minister and to the House that there is a heavy burden upon the people of Canada with respect to what we are doing at this time. A little over 30 years ago, when the first atomic bomb was dropped on Hiroshima, the world was shocked and conscience-stricken about the new and terrible powers which were placed in the hands of mankind. If at that time the nations of the world had been able to restrict the spread of nuclear weapons, we might be able to sleep more easily. Instead, the nuclear club has spread at an alarming rate. An anthropologist visiting Canada just a few days ago said that, considering the pollution of the air, water and earth, and considering the proliferation of nuclear weapons, he could not see the survival of the human race beyond the year 2000. The fact is that the world is living on the edge of Armageddon. It may be that the contribution we have made to that situation up until now has been done unknowingly, but the step now being taken by the government is being taken deliberately and the government has a very heavy burden on its conscience.

The Canadian people will have to ask themselves whether they want to continue contributing to the possibility of a nuclear holocaust. Certainly, future generations will hold those of us who sit in this parliament responsible if we are plunged into a nuclear war ourselves, or any part of the world in the years which lie ahead.

In closing, I want to renew the plea I made to the minister yesterday. I have not changed my mind as a result of hearing the statement of the minister today. I do not think it is enough for a crucial decision like this to be made by the government and then members of parliament to be given a five-minute statement by the minister, two or three minutes of reply from each of the political parties, and that is all.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I agree wholeheartedly with the Leader of the Opposition (Mr. Stanfield), who says that an international agreement of this importance ought to be submitted to parliament before it is signed. I know that traditionally the executive has always taken the position that it has the right to sign any international agreement, and then parliament at some time or other can move a motion of no confidence; but I refer the hon. gentleman to one of the patron saints of the Liberal party, the Right Hon. Mackenzie King, who was prime minister of Canada, I think, longer than any other person in the history of this nation. On April 12, 1928, this is what he said in parliament:

> I submit that the day has passed when any government or executive should feel that they should take it upon themselves without the approval of parliament, to commit a country to obligations involving any considerable financial outlays or active undertakings. In all cases where obligations of such a character are being assumed internationally, parliament itself should be assured of having the full right of approving what is done before binding commitments are made. I would not confine parliamentary approval only to those matters which involve military sanctions and the like. I feel parliamentary approval should apply where there are involved matters of large expenditure or political considerations of a far-reaching character.

● (1250)

I submit to you, Mr. Speaker, and to the government that there can be no international commitment of more far-reaching character than the signing of these two agreements with South Korea and Argentina and selling them a CANDU reactor. Both nations have in their possession reprocessing plants from which they can extract plutonium. The minister shakes his head, but I would be glad to hear from him about that in the question period.

I submit since the government has already signed the agreements, the very least the minister can do is to say that he will introduce a motion in the House asking the House to approve these two agreements. Members of parliament would then have an opportunity to express their opinion on the matter, and the government would have some idea of public reaction and could govern itself accordingly in the future. I hope that if there are any other agreements of this character—I trust there will not be—the government will submit the matter to parliament prior to signing them.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, we have just heard the minister's statement on the two agreements signed with South Korea and Argentina concerning the sale of CANDU reactors. I am sure the minister was aware of the responsibilities he was taking in signing these agreements. I believe he has taken every precaution to make sure that these two countries merely want to take advantage of nuclear energy for peaceful purposes.

In his statement, the minister said that the Korean economy is basically sound and that its growth rate has been outstanding those last years. But its future needs for energy will be enormous and will not be satisfied by its own oil resources. We must always face facts. When a country which wants to develop itself and surge ahead has no other course than to ask for external aid, as Korea has asked Canada, I think it is reasonable to take all the necessary precautions. A few moments ago I have heard the leader of the opposition say that the emphasis was on the commerical aspect. In my opinion, we are perhaps taking the commercial aspect into account, as in any market consideration, but I think we must not forget the social aspect. We must not consider only the matter of explosives.

A few moments ago, an NDP speaker was mentioning the atomic danger. But the danger represented by atomic bombs exists across this country, Mr. Speaker, since Canada is full of nuclear devices.

There is still about the fear of atomic bombs. All major countries have the atomic bomb. If some countries want to use that modern energy, that energy by excellence which is atomic energy for pacific purposes, provided all possible precautions are taken, I think Canada is welcome to help those countries. As long as they stay within the pacific action they want to implant in their countries, well, modern explosive means have to be used for pacific purposes if the necessary safeguards are there.

I think the minister took the necessary precautions. Accidents might happen. The minister himself might have surprises. But who says who is going to govern tomorrow? In any country, even Canada, who says who is going to govern us tomorrow? I would not wish that we be governed even by the NDP tomorrow. But one cannot judge the good intentions of this government on future assumptions. I simply say that precautions were taken.

It is good trade business, of course, let us not hide that fact; it is a good thing for Canada to be dealing with those countries at the trade level to open other doors for us. If it does not, other countries will, others are ready to do so. I noted earlier that the United States have already begun building a nuclear reactor bought in the United States for Korea. I think Canada is no worse than others as long as we stay within the bounds of pacifism simply to bring a country more in line with modern methods and it is beneficial at the same time for our country because of trade balances. I think we must not close the doors but extent our trade possibilities to other countries, contrary to the practice of past years where we always limited ourselves to dealing with two or three countries. We always had a trade deficit. Naturally, the subject is touchy; we are talking about atomic energy, but if that energy is used properly as set forth in the agreements now signed between the minister and the countries involved it will bring only positive results.

[*English*]

Mr. Speaker: Order, please. We have arrived at a critical moment. It is difficult at this point for the Chair to assess whether it is more desirable, in the eyes of hon. members, to take a few minutes and conclude the questioning now. There has been no questioning at all, but if there are only two or three questions we could take the opportunity to hear them now. The subject is a serious one, however, and there has been some indication already of a desire to question the minister. It would seem, at first blush, that the matter ought to be given fuller treatment at two o'clock than in attempting to do it at this hour.

Accordingly, it being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: Order, please. We shall now proceed to a question period in which hon. members will question the Secretary of State for External Affairs on his statement. Unfortunately, the minister is not here, which puts the House in a difficult position. If hon. members do not mind, we shall wait for a few minutes until the minister arrives.

Some hon. Members: Agreed.

An hon. Member: Here is the minister.

Mr. Stanfield: Mr. Speaker, may I direct a question to the Secretary of State for External Affairs relating to the assistance for Korea but not directly relating to the safeguards agreement? Can the minister inform the House, in general terms, of the financial arrangements for the transaction with Korea, approximately how much credit is being advanced by Canada to the Republic of Korea, the duration of the proposed loan and the rate of interest?

Mr. MacEachen: Mr. Speaker, I shall do my best to supply some of the details asked for by the Leader of the Opposition with respect to the financing of the reactor for the Republic of Korea. The total cost of the reactor is approximately $500 million, and I understand that Canadian government financing is in the amount of $300 million. I have no details beyond that except that the amount is repayable in 30 semi-annual instalments commencing not later than six months after commissioning, or October, 1982, whichever comes first. Interest terms are not generally made public because of the effect such information might have on future negotiating positions in other transactions. That is all the information I have on the financing aspect of the Republic of Korea's undertaking.

Mr. Stanfield: Mr. Speaker, am I to understand from the Secretary of State for External Affairs that the people of this country will not be able to form an assessment of the prudence of the financial aspects of this deal because of some alleged effect upon our competitive position? What possible justification is there for refusing to disclose to members of this House the rate of interest so that the people of Canada can know to what extent, if any, they are subsidizing this transaction?

Mr. MacEachen: Mr. Speaker, I have given the justification for not disclosing the information. Frankly, I do not have the information at hand at the moment. I inquired about it, but the practice is not to reveal the terms of loans, for the reason given. I suggest that the Leader of the Opposition may follow the matter up with my colleague who is responsible, basically, for the financing aspects of the arrangement.

Mr. Stanfield: Mr. Speaker, I am happy to accept the minister's suggestion and will do as he suggests, because I do not think secrecy would be acceptable either to parliament or to the people of Canada. Does the Secretary of State for External Affairs share my view that the situation—that is, the situation regarding the sale of nuclear reactors, nuclear technology and related matters—is going

from bad to worse in the sense that West Germany has offered a big package to Brazil, and France seems to be prepared to sell recycling plants for the recovery of plutonium to various countries?

If the minister shares my concern in this regard, why was the Government of Canada not prepared to wait a bit before completing this transaction so that it could bring all possible pressure to bear on the five or six other countries, including Britain, West Germany, France, the United States and one or two others, to agree mutually on practices and safeguards which would result in a reasonable sharing of the benefits of nuclear technology and, at the same time, safeguard the world from the danger of a nuclear holocaust?

Mr. MacEachen: Mr. Speaker, I share the concern of the Leader of the Opposition and the concern expressed by others who spoke earlier today. I assure the hon. member that the question of non-proliferation was a dominant consideration in the negotiations preceding the signing of these agreements. Certainly, I paid dominant and paramount attention to the safeguards aspects of these agreements, in the interests of non-proliferation.

The Leader of the Opposition asked why we would not consider a moratorium. We concluded that it would not be useful if Canada withheld its sale of these reactors at this stage in the expectation that this would bring pressure to bear on other suppliers, as it would not be a good course of action. Probably it would result in Canada's losing sales to other nuclear suppliers, and we would also lose whatever influence we are exercising—and I believe it is considerable—with other suppliers in upgrading the general level of international safeguards. That is why we do not agree with his proposal for a moratorium. We believe it would not have any visible, obvious effect in this situation. It might even have a negative effect.

• (1410)

The Leader of the Opposition talked about reprocessing plants. The hon. member for Nanaimo-Cowichan-The Islands spoke of both the Republic of Korea and the Republic of Argentina as being in possession of reprocessing plants. That is not true, and I am gratified to be able to tell the House that in the course of negotiations with the Republic of Korea the government of that country advised us it had cancelled its order for a reprocessing plant from France. So it has no way in which to complete the fuel cycle. Likewise, there is no reprocessing plant of military or commercial significance in existence in Argentina. There is, as I understand it, a small laboratory model of a reprocessing plant.

When the hon. member for Nanaimo-Cowichan-The Islands conjures up visions of all these pounds of plutonium, I can tell him they are not to be found either in the Republic of Korea or in Argentina. These large amounts are to be found in the industrialized countries of the world. I do not share his view, or that of other hon. members, that we ought to deny to the developing countries of the world an opportunity to share in this new technology.

Some hon. Members: Hear, hear!

Mr. MacEachen: I think we ought to conduct a debate on the level of fact, and what I have just said represents the fact with respect to processing plants.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Before putting some questions to the minister, I wonder whether I might, for his own protection, draw attention to the text of his statement this morning? On page four, in the fourth line or so—he might check it in *Hansard*—he spoke of "co-operation for non-peaceful explosive purposes". I feel sure he must have meant "non-peaceful or explosive purposes".

As to the statement the minister has just made, let me say this: when I commented this morning to the effect that both Argentina and South Korea either possessed or were in the process of possessing reprocessing plants, I noticed that the minister was shaking his head. Now he tells us definitely that they do not have reprocessing plants. Well, Mr. Speaker, a report from London by Peter Calamai at the time of the International Energy Conference last summer definitely stated that the information coming out of that conference was to the effect that Argentina had obtained a reprocessing plant from France, and that South Korea was in the process of obtaining one, also from France. The minister says today that Korea has cancelled the order. May I ask him now whether there is any provision in the agreement that in the event of South Korea changing its mind and securing a reprocessing plant, the agreement will automatically be suspended?

Mr. MacEachen: No, Mr. Speaker, that is not in the agreement. What is in the agreement—and it is a main provision—is that Canada is entitled to a hold on the reprocessing of any spent fuel, and we have indicated to the Republic of Korea that we would not at the present time be prepared to give consent for the reprocessing of any such spent fuel. Of course, that requirement within the agreement is to some extent inoperative because of the decision taken by Korea to cancel its order for a reprocessing plant from France. We think that is a positive element in the situation. I am satisfied, also, that the United States shares our view that nuclear technology ought to be made available to developing countries such as the Republic of Korea for peaceful purposes only, and I am satisfied that the United States will work diligently to secure that objective also.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I do not think the United States comes into the picture. The deal is between Canada and South Korea. The minister cannot give any assurance that South Korea, which was negotiating the purchase of a reprocessing plant, will not later obtain one. His answer, as I understand it, was that Canada would have control over any plutonium which may be produced from the waste material from the CANDU reactor. I should like to ask how that control will be exercised. Does Canada propose to repatriate the plutonium? In what way would control be exercised over the recycling of the waste?

Mr. MacEachen: The hon. gentleman is right in stating we have not required that the spent fuel be returned to Canada. We did consider that course seriously, but we abandoned it for two reasons: first, because of the environmental implications for Canada and, second, because it would not add significantly to the non-proliferation objective we were seeking. The inspection system to be carried out by the International Atomic Energy Agency is intended to detect the diversion of materials to non-agreed purposes. That is the purpose of the inspection system, one which relies on instrumentation as well as on personnel. That is the way we look after the point the hon. gentleman has raised.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that IAEA itself does not undertake to account for anything beyond 95 per cent of the plutonium extracted, it seems to me that the minister is leaning upon a very slender reed. Mr. Speaker, I have one final question. The minister's statement today, together with the discussion that has taken place, seems to underline the need for a much wider discussion with respect to this important subject. Hon. members generally may be satisfied that the alleged safeguards will guarantee the non-proliferation of nuclear weapons, but I am not satisfied that the two countries to whom we are selling these reactors constitute stable and reliable areas but, rather, are countries to which we ought not to be sending nuclear plants which ultimately could be used for the production of nuclear bombs.

● (1420)

Is the minister now prepared to consider the suggestion I made in the House yesterday, that he himself introduce a motion in the House in order for the House to have an opportunity to discuss this matter fully? I cannot believe that the government considers this matter of so little importance that the few moments we have had to discuss it today are sufficient for dealing with such a far-reaching subject that could have serious consequences not only for ourselves but the whole of mankind.

Mr. MacEachen: Mr. Speaker, I agree with the importance that the hon. member attaches to this question, but I would remind him that we did discuss this question fully in parliament a few months ago, at which time the same arguments were put forward. We also had a very full discussion of the question in the standing committee on external affairs a month or so ago. The subject, in itself, has been very fully aired. However, I will consider the suggestion of the hon. member as to whether there is some way that further parliamentary examination could be made, not only of the agreements but also of the background material, which I think will prove useful for all of us in understanding the nature of the problem and what steps are being taken to apply safeguards. I will consider the hon. member's suggestion.

Mr. Wenman: Mr. Speaker, was the question of the protection of the environment considered, and does this agreement cover the storage and disposal of nuclear waste materials from the environmental point of view, be it in Canada or in the countries gaining the nuclear reactors? Secondly, are these agreements similar to the agreement Canada is currently seeking with India subsequent to its nuclear explosion, in regard to Canadian aid to that country?

Mr. MacEachen: Mr. Speaker, the safety features of a nuclear reactor when it is in operation will, of course, be controlled by the host country and will be its responsibility. In Argentina, where already a power reactor supplied by Germany is in operation, and in Korea where one is under construction, supplied by the United States, the question of safety is basically a matter for their concern. To my knowledge, there is nothing in this agreement that would impose environmental regulations upon the recipient country. We are presently in negotiation with India in regard to safeguards for the uncompleted reactor there, but these negotiations have not yet been completed. Obviously, the negotiations are directed toward increasing the safeguards for that particular project.

Mr. Wenman: Mr. Speaker, may I put a supplementary to each of my two questions? Is the minister saying that when Canada exports a reactor it feels no obligation in regard to the fact that the reactor will add to the world pollution problem? We share a responsibility for the disposal of nuclear waste from that reactor. At least we have a responsibility to see that it will be adequately handled. Does the minister know the method that will be used to handle this waste disposal, or is it to be handled by the country concerned? This is of major concern to the world. Just as we are calling for a moratorium on the profileration aspects, there should be a similar moratorium regarding environmental control. Would the minister not agree with that statement?

My second supplementary question is this: Does the minister really expect any success with his negociations with India, in view of the fact that India has now started an external aid program greater than the $100 million with which we provide India by way of foreign aid? Bear in mind that $100 million is a small amount relative to a $2.5 billion expenditure. Is there any hope for the sanctions? This relates to the broader question of whether there is any real sanction at all, once we have allowed reactors to leave Canada, so far as controlling them is concerned. What sanctions are available other than foreign aid which has proven ineffective?

Mr. MacEachen: Mr. Speaker, we have suspended our nuclear co-operation with India. That was a painful choice for Canada as well as for India. Because of our mutual desire to get out of the situation created by that painful cessation of nuclear co-operation we are now negotiating with India. Although we have not yet succeeded, we are still working on it. I have issued instructions to our negotiating team to resume negotiations in Indian in the month of February, and we will then know whether we will succeed. If we fail, the government will then be faced with a very serious situation. But I hope we will not fail.

Mr. Leggatt: Mr. Speaker, would the minister advise the House whether there was an attempt in our negotiations with South Korea to put in the contract a force majeure provision so that, in the event that there was a violation of any of the commitments that have been given in these matters either by Argentina or South Korea, the Government of Canada would have the power, at least legally, to go into those countries and remove any of the fissionable material that may have been stored there, or remove any of the equipment that had been sold? Was there any attempt to have such a clause provided in the contract and, if so, what was the the reaction of South Korea, and why did it not accept such provision?

Mr. MacEachen: Mr. Speaker, I believe there is a provision in the contract or agreement—I would have to look at it again—providing for the return of any material, including the reactor, in the event of any violations. But there are practical obstacles in the way of the execution of such an agreement which would be even more difficult in the situation described by the hon. member.

Mr. Leggatt: We should have something like a conditional sales agreement. There have been recent reports that nuclear exporting countries have been meeting in order to rationalize their sales procedure and introduce additional international standards regarding safeguards. In other words, there were reports, though not official, that Canada and other countries were participating with countries like France, West Germany, and so on, with regard to rationalizing the sales approach so that we do not have people bargaining off the safeguards in order to make a sale in the face of other competitors. Would the minister advise the House whether such meetings took place, and also whether any general agreement was arrived at in terms of international safeguard provisions governing sales by nuclear exporting countries to various purchasers?

Mr. MacEachen: Mr. Speaker, there have been meetings among suppliers, including Canada, and one objective of this series of meetings was to upgrade the standard of safeguards among the supplying countries as one effective method of improving prospects for non-proliferation. We have put forward proposals at those meetings and I am certain we are in the vanguard of those who advocate improved and upgraded safeguards. Some progress has been made, and I hope that when the process is completed I will be able to report separately to the House on the results of these meetings of the nuclear suppliers. That is the primary way to achieve our objectives.

● (1430)

Mr. Leggatt: Can the minister advise why he did not consider delaying these sales until at least such time as those negotiations with other nuclear exporting countries were completed, on the simple basis that if the standards are higher than the ones we are now obtaining from Argentina and North Korea, we will have sold these nuclear reactors abroad at a lower standard than other nuclear exporting countries, therefore having a more immoral position, if I can put it that way, in terms of the way we flog these things abroad.

Mr. MacEachen: Mr. Speaker, I do not fear that we will be placed in an immoral position as a result of any developments at a meeting of the nuclear suppliers. We have not declared the moratorium because we believe such a gesture would be futile and we would lose any influence we might have among the suppliers. In the meantime, the sales would be picked up by others and our position as a supplier in the way of influencing other suppliers would be, if not fatally damaged, at least seriously damaged.

Mr. Fairweather: Mr. Speaker, I wish to quote just one sentence of a speech the Prime Minister made to the

annual meeting of the Canadian Nuclear Association on June 17, 1975, because, I think it is important in this examination. The Prime Minister said:

> Nuclear activity is one of the many ways in which man is now engaged which, if not made susceptible to reason and discipline, could become ultra-hazardous, even cataclysmic.

The Prime Minister went on to talk of our joint wisdom. I wonder if, within the minister's position, the use of the pronoun "our" in that case by the Prime Minister was a sort of royal or editorial "we", and that this parliament is not to have an opportunity to debate the agreements. If the Prime Minister is to be believed—and in these times that is very important—then surely he should be careful with his language. This is the place where joint wisdom might just perchance assist the government.

Mr. MacEachen: Mr. Speaker, I agree that this is the place to share and to exchange views. I hope the material that I have made available, and the agreements themselves, will make it possible for hon. members to consider whether there are additional ways in which we can achieve the objective of non-proliferation.

I heard one extreme suggestion this afternoon, namely, that we declare a moratorium on the supply of these nuclear reactors which are urgently needed for power generation purposes and for social and economic development. I have heard that point of view, which I reject. I have heard very few suggestions, apart from the work that we ought to be doing in the suppliers' meetings, for the improvement of the international safeguards system that we have put into these two agreements.

I remind hon. members that we have taken every possible precaution in the case of the Republic of Korea and in the case of the Republic of Argentina so that no Canadian-supplied material, technology or equipment can be diverted for explosive purposes. That is our obligation. In the case of the Republic of Korea, we have been advised that their order for a reprocessing plant from France has been cancelled, thereby denying the opportunity at this stage of completing the fuel cycle.

Mr. Stanfield: At this stage.

Mr. MacEachen: I made a reply to the hon. member for Nanaimo-Cowichan-The Islands that I think is a response to the valid interjection of the Leader of the Opposition. However, we must also bear in mind that in the Republic of Korea at the present time there is under construction a power reactor supplied by the United States and a second one under order. The United States obviously has an interest and an obligation in this situation as well as Canada. In the case of the Republic of Argentina, there is no implication, direct or indirect, that Canada through its nuclear reactor is in any way adding to the freedom or ability of the Republic of Korea to develop nuclear weapons if it so decided.

Mr. Stanfield: Argentina, you mean.

Mr. MacEachen: Argentina does not have a reprocessing plant. The reactor that is there, supplied by Germany, is under safeguards. The heavy water that is supplied by the United States is also safeguarded. Canada is adding nothing to the infrastructure of the Republic of Argentina that would justify the fears that have been raised by hon. members today. On the contrary, it has fully safeguarded its own participation. I believe it has created an incentive, if not an obligation, to possibly upgrade other suppliers operating at present or in the future in the Republic of Argentina. I believe we ought to bring in all the facts before we denounce Canada as being an agent of proliferation. In this case we are an agent of non-proliferation and an agent of economic and social development in countries that desperately need that development.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to ask a question for clarification. I understood the minister to say a few minutes ago that Argentina had a small experimental separation unit. I later understood him to say that they do not have a separation unit. If the minister makes a distinction between a large separation unit and an experimental one, may I point out that the explosive device which was produced by India was made from a small experimental unit. A small experimental unit is just as capable of extracting plutonium as a large one, except that it only produces small quantities. That, however, can be accumulated over a period of time.

In view of the statements the minister just made, and in view of the fact that most of what he said today was based on the documents that he will make available to hon. members—the position papers and the actual terms of the contract—is he prepared to give us an opportunity to discuss this at a later date? I received this material at about 10.45 this morning, and the House started at eleven o'clock. I did not have a chance to read these papers. If the minister is basing his whole case on the basis of the documentation with which he is supplying us, as I understand it, we ought to have an opportunity to examine that documentation and then discuss it subsequently at the earliest opportunity.

● (1440)

Mr. MacEachen: Mr. Speaker, it is true I stated that the Republic of Argentina does not have reprocessing facilities of commercial or military significance. I am not an expert on these plants. However, I am advised that the amount of plutonium, provided you had a reactor from which to extract it, that would develop from the plant referred to is not significant and is not a viable danger. That is the distinction to be drawn between the commercial and military significance and the laboratory model, the potential of which I have described as accurately as I can. I have undertaken to consider the possibility of further parliamentary discussion of this question. I repeat that to the House, and do so in good faith.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Thursday, January 29, consideration of the motion of Mr. Lalonde that Bill C-68, an act to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Bruce Halliday (Oxford): Mr. Speaker, at ten o'clock last evening we were debating the amendments to this act which would limit the annual increase and the per capita costs of insured services under medical care plans. I wish to take a few minutes in an effort to develop background material for the amendments now before us, because of the fact that when the original act came into effect there were many people who said we would be having trouble at about this time. This would now appear to be the case.

Last evening I had reached the point where I referred to an article in the *Medical Post*, a journal published, rather interestingly, by Maclean-Hunter Limited. I think in a few weeks we will hear more about Maclean-Hunter when we hear how the government wishes to stamp out *Reader's Digest* and *Time* magazine. In an editorial written under the date of January 6, 1976, this magazine has some interesting comments which I believe warrant consideration. As I read these excerpts, I should like members to think of the three aspects discussed in this editorial. One relates to the predictions of increased high-cost medical care a number of years ago by very reputable authorities and, second, the fact that there may have been some ulterior motives on the part of the government, first of all when it introduced the plan, and even again now, we might suspect. Third, there is a hint in this editorial of how improvements might be made that would help reduce the cost of medical and health care. I quote as follows from this editorial of January 6, 1976:

> All of a sudden the politicians have decided that our sickness care system, which they did much to create, has become too expensive.
>
> Too expensive compared to what?
>
> Apparently most of them have forgotten that Mr. Justice Hall in the Hall Commission report back in 1964 predicted costs would run to 7.04 per cent of gross national product in 1976 and he was working in 1957 constant dollars. At the present time the total cost of all U.S. sickness services is running about 9.0 per cent of that country's GNP. According to figures from the Ontario Ministry of Health the total sickness services in the province is running almost exactly 7.0 per cent of the provincial GNP.
>
> But, of course, the politicians designed an open-ended system, mainly because it looked good to the voters, and decided to operate the entire system through tax revenues, making it look as though the whole service was free. It was not free, of course—it just looked that way because the government undertook all payments and collected all the taxes to pay for it. Thus was the tap of public expectations turned wide open, while the politicians basked in their cleverness.
>
> It did not take long before the deliverers of the service began to realize that having the tap of expectations left on full resulted in a huge demand for service. Eventually the politicians began to realize that once that tap had been turned on full it was extremely difficult to close it off, even a little way. They tried all sorts of maneuvers to turn back the tap without appearing to do so; they accused the doctors of overusing the system and railed against the gross inefficiencies in hospitals and set civil servants to finding alternatives to the system to reduce costs. But they dared not touch the real problem, that excessive flow of public expectations.

The editorial goes on to say this:

> The outcry about accelerating sickness care costs have come mostly from the politicians who are afraid they have come to the bottom of the taxpayer's pocket.
>
> And they are right in that fear.
>
> Yet nobody seems to suggest that perhaps the public look on the present sickness service as so important that it will pay a share of the cost of the service directly—and that the public itself will by this means turn off some of the flow of service expectations which it has been educated to expect.
>
> No politician has broached this because he probably feels his constituents might not like it.

Finally, there is another paragraph which reads:

> The idea of having the public pay some of its sickness service directly is probably verboten around the ministry.
>
> It is our opinion that the whole government-financed sickness service has been over-extended and mismanaged since it started. Now financial pressures are forcing governments to look for scapegoats and the sickness service is going to be one of them. It is going to be curtailed whether the taxpayers approve or not simply to bail out a government which has grossly overspent for years.

I draw the attention of hon. members to the three points I raised before I read this editorial. First of all, a person—no less than Mr. Justice Hall who was chairman of the royal commission—anticipated this problem and, second, it is suggested that the government had some ulterior motive in wanting to get votes, by this scheme, back in 1967-68—and one wonders whether this still applies. One begins to wonder whether the government has an ulterior motive now in trying to control the income of physicians by bringing in this bill at the present time. Perhaps more worrisome to some of us is that one wonders whether we will have sprung on us, in the next year or two—or certainly before the next election—some other universal welfare plan that will put us in even deeper trouble.

Perhaps this is the reason the government is trying to cop out of the plan already in effect and is trying to get rid of some of the charges that have been turned over to it in the hope that there will be money left over, somehow, for other plans which will be brought in and which will place another strain on the country. The third thing in this editorial of the Maclean-Hunter Company publication is a hint that probably there is an opportunity yet in this country for Canadians themselves to feel some responsibility for looking after their own health care.

I was encouraged somewhat in the debate yesterday when the hon. member for Halton (Mr. Philbrook) conducted a very judicious plea as he gave his presentation with respect to this bill. I think my hon. friend and professional colleague from Halton did a good job, riding several horses. He certainly did well on behalf of the medical profession and on behalf of the Canadian Medical Association. I think he did reasonably well on behalf of his government. But I was very pleased to note, as recorded in *Hansard* of January 29 at page 10450, that he said:

> In light of these complexities, the Prime Minister and the Minister of National Health and Welfare have apparently promised not to impose any more universal programs on the provinces, hopefully, not even on the country.

I hope the hon. member for Halton is correct in that we will not be confronted by this government with more,

similar schemes. In reviewing the historical past of this bill, I should like to conclude with a further quotation from someone all government members opposite respect, namely, former prime minister Lester B. Pearson. I shall quote from the Minutes of Proceedings and Evidence of the Standing Committee on Finance, Trade and Economic Affairs, of November 13, 1975, page 68:185. A submission to the committee at that time contains the following quotation from the statement given by Mr. Pearson:

> It is a national responsibility, a federal government responsibility, to ensure that our medical care insurance program is comprehensive, universal, publicly administered and portable. If a certain standard of public medical services is needed and approved by Canadians generally, appropriate fiscal resources have to be brought into play on a national scale—

I underline the word "national".

> —in order to make the services available to a national standard in all parts of the country.

● (1450)

Indeed, Mr. Speaker, at that time Mr. Pearson felt this was a national responsibility and not something that could be approached in a unilateral and arbitrary way by the federal government alone, as is being done at present.

I should like to move on to other broad areas in this debate. I will touch very lightly on the first one, that is, some of the other effects of the bill before us. This has been dealt with rather adequately by many previous speakers, and I do not wish to take a long time on it. The effect of this bill on the quality of medical care no doubt will be very great, and it is a risk which the people of Canada will be facing. If the federal government puts more of the expenses of medical care on the provincial governments, they will either have to take more money from the people of the provinces or they will have to curtail and limit medical services and other health care services. I think this is a regrettable situation, but I will not take up more time because we have heard about it from several speakers. Incidentally, this is bound to affect the poorer provinces more than the richer provinces, and that is deplorable.

The second area which has been dealt with adequately, both by the hon. member for Halton (Mr. Philbrook), speaking on behalf of the government, and by other speakers on this side, is in connection with the effect this bill may have on physicians' incomes. There are now two pressures on physicians—the anti-inflation measures and the amendments in Bill C-68. This is regrettable, in view of the fact that back in 1971 physicians took the government at its word, and when the Young commission advocated voluntary restraint, that was carried out by the medical profession. They will be the ones to suffer because they tried to co-operate at that time. Enough said about those two situations which I find regrettable.

Now I want to go on to some positive aspects of the legislation before us. I do not want the minister to feel that I am only attacking his policies on health care. Sometimes we hear it said that the opposition parties should always be on the attack. I am not sure that should be so. I think that sometimes positive things come from the government side, and this should be acknowledged. The minister alluded to the fact that there will be some reductions in health care costs by virtue of the seat-belt legislation which is being implemented across the country gradually, and the reduction in permissible speeds on highways. I dare say he is right to a certain extent, but I would remind him that we are debating a medical care bill, not a health care bill.

If one looks at the medical costs saved by the seat-belt legislation and the reduction in highway speeds, one finds it is true that some reductions may be effected in medical care costs, but they are far greater in the health care field. If a person smashes his head in an accident and lies unconscious in a hospital for six months, the big cost is not the medical cost but the health care hospital cost. If a person has two or three fractured bones and is in hospital for several months, again the medical care cost may be equivalent to four, five or six days of hospitalization, but the hospital stay of three or four months which is required is much more significant. So I think we must not feel too satisfied that by introducing these pieces of legislation we will reduce medical care costs, but we may be largely reducing hospital care costs.

The other matter about which the minister spoke was his effort and the effort of the provincial government to improve our lifestyle as a means of saving health care costs. I think that is commendable, but we should look at one more point in reference to that question. We must begin to think about the concept of an experience rating of our health insurance plans in accordance with our lifestyle. This is not a new concept. We do it now with life insurance and we do it with collision insurance; we also do it through the Workmen's Compensation Board. However, I am not so sure we shouldn't do it with health insurance. People who choose to lead lifestyles that are less than healthy and are conducive to high costs in the health care field perhaps should have to pay their share of that extra cost. That is one thing the minister should consider in the future.

Another possible means of controlling excessive health care costs might be through legal and other mechanisms for providing payment for allied health personnel. We could resort to paramedical professionals, to some extent, who have developed skills that do not require as much training and education as those required by physicians and yet are very essential. The cost of providing such health care assistance is somewhat less. However, the problem is that at present there is no legal mechanism which would permit the practising of those skills or payment for those skills in conjunction with physicians' services. The government should study this matter.

Of course, there are times when hospital facilities can be built more cheaply, and this would reduce health care costs. However, let us revert to the matter of bringing about legal changes in the system. We are fast approaching the state which exists in the U.S.A. where legal actions against physicians and hospitals are increasing at an alarming rate. There is no question that this leads to increased costs of health care, if for no other reason than that physicians and other health care personnel, in order to protect themselves against possible legal action, greatly increase their requests for certain lab work, certain X-ray work and certain consultations. I think we should be looking at ways and means of limiting the number of legal actions and the amounts of these claims to a more reason-

able level, thus relieving some of the financial pressure on the health care system.

Another matter that should be considered is that in recent years increasing emphasis has been put on training young physicians in the use of hardware and the technology of medicine, rather than in the old skills of history-taking and plain, physical examinations. These have been popular areas to stress in the last few years, but they are expensive and they increase health care costs. Similarly, the situation has been aggravated, I am sure, by the news media which tends to lay emphasis on the heroics of medicine, on heart, kidney or liver transplants as though these were the essence of medicine. I am not trying to deprecate or lower the need for research, both experimental and on humans, but since we are living at a time when costs are to be reduced, we should be careful about the money spent on these heroics in medicine.

Another area to which the minister might like to give consideration is the development of appropriate regulations to discourage high costs. Over the last ten years or so—for example, under the Hospital Insurance and Diagnostic Services Act—the provision regarding X-ray services was such that if you were an out-patient, your X-ray costs were not covered by the insurance scheme, but if you could finagle your physician to admit you to the hospital, your X-ray costs were covered. Not only did the state, or the plan, have to pay for the X-rays in such cases, but it also had to pay for the costs of the stay in hospital.

The same thing occurred with dental care services. For a long time, good dental services with general anaesthesia were being provided in the dentists' offices and the only cost to the plan was for the anaesthesia service. Then the government changed the regulations so that when the patient was admitted to hospital, everything was covered—anaesthesia, hospitalization and, of course, dental services in the hospital. This added further to the expense.

● (1500)

I am pleased to see that the minister is suggesting that he will introduce some low cost medical services into his new plan, and for this I think we must commend the minister, but I caution him in this one particular area. I have had some communication with a provincial minister of health on the topic of nursing homes. I have been approached by a number of my constituents who feel that it is absurd that health care plans should be paying for families to put their elderly relatives into nursing homes. If the children in a family decide that their parents are getting old and need more help, there is an economic advantage to placing them in a nursing home, whereas if the government saw fit to pay perhaps half the price it pays nursing homes on a per diem basis to those same children, they would look after the old folks at home, and everyone would be happier.

I caution the minister that if he is going to put more money into services such as nursing homes, he should be positive and see if we cannot spend that money in a cheaper way which will keep patients out of nursing homes and in their own homes if at all possible.

I am coming close to the end of the points I wish to discuss. There is the matter of perhaps considering transferring some tax points from the federal tax treasury to provincial treasuries. That would give the provinces some feeling of control over their health expenditures and some assurance of revenue to provide those services.

Another thing the minister might consider under this legislation is removing these arbitrary ceilings he has included and putting them under regulations instead of in the legislation. This would allow some flexibility. We all know how difficult it is and how the government refuses to predict inflation for the future. It must be difficult to plan a rigid percentage at this time which would be appropriate. Surely it would be better to have flexibility built into this.

The government might also consider having a tripartite committee of some sort composed of federal representatives, medical profession representatives, and provincial people who could discuss some of the problems, particularly as they relate to medical care financing for the future.

I wish to conclude with some views on a matter which I think is very important. This relates to something I touched on earlier and something which was touched on in an editorial I read in the *Medical Post*. This is the matter of patient responsibility for his own health care and his participation as a patient in the provision of his own health care from an economic point of view. I should just like to take a moment to read something further from the report of the Standing Committee on Finance, Trade and Economic Affairs of the same date as before, November 13, 1975, at page 68:186. This is from the presentation of the Canadian Medical Association to the committee at that time, and I will read from the report:

> Public education relative to the prudent use of medical services might help to lower frivolous patient demands for medical services. However, it remains our opinion that unnecessary, frivolous patient demands for medical services and overservicing by physicians would be most effectively controlled by some degree of direct personal responsibility of the patient in the payment for such services.

I will go on to what I think is another very significant quotation on the same subject. This is taken from the Canadian Medical Association Journal of October 18, 1975 at page 792. Dr. Bette Stephenson, now the minister of labour for Ontario and a former president of the Canadian Medical Association, was asked to appear before a subcommittee of the Congress of the United States on health care. They were trying to look into the future of health care plans there, and I quote from the Canadian Medical Association Journal:

> Even more important, says Dr. Stephenson, it removes from the patient a feeling of responsibility for his own health. Dr. Stephenson noted that "the most significant advances in the health of our populations will be achieved through increased acceptance of personal responsibility for health maintenance, not through the provision of additional services. By all means protect the American public from catastrophic health care costs, but do not remove the individual patient from the financial aspect of his personal health care. Keep the patient involved."

There are many other areas, in the present concepts our government has, where it is taking away responsibility from the citizens of this country, not only in the health care field but in other fields as well. It seems to be the concept and the philosophy of the government that the more control it can have over the individual, the more effective and better lives the people of Canada will have. This has been proven historically to be wrong over the centuries. Civilizations have gone down to complete failure and doom where this sort of situation has developed. I

hope the government will see fit to begin to reverse its stand whereby it takes away all responsibility from individuals.

Just in summary, what I have attempted to do in this debate is discuss the origins and the historical background of Bill C-68 and why, in retrospect, it is completely unnecessary. That could have been predicted years and years ago, and indeed it was predicted. We must beware of further encroachments upon the individuals of this country, whether by more universal health care plans or whatever. Let us beware that there is not some trick in this bill by which the government will introduce something in the next two or three years, or even sooner, which will take away more responsibility from people.

Finally, Mr. Speaker, I have dealt at some length with a dozen or so ways which I think the Minister of National Health and Welfare should consider appropriate to help reduce both medical care and health care costs.

Some hon. Members: Hear, hear!

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, it is my intention to review this legislation from the standpoint of a doctor. However, I want to make it clear that I support the minister and his legislation.

Bill C-68 is designed to amend the Medical Care Act. It was originally antedated or previewed by the June budget of 1975 introduced by the former minister of finance. In one section of his policy which was for retrenchment he brought out the fact that the government aimed to rewrite the Medical Care Act, or renegotiate the costs and percentages. He laid down ceilings, 13 per cent on increases for 1976-77, 10½ per cent the following year, and 8½ per cent subsequently. He retained the per capita approach to determine the total contributions to the provinces.

Apparently there is some desire on the part of the Minister of National Health and Welfare (Mr. Lalonde) to keep the 10½ per cent as a figure for the subsequent years, and I think this might be a good idea. No one in the medical profession in this country fights a policy of control very strongly. They recognize the need for prevention of unregulated cost increases in medical care. Somehow both hospitalization and medical care costs will have to be renegotiated, and they might need restructuring. Health delivery care systems may eventually have to evolve, and most doctors are strongly against cuts in national medical research which is given to universities and the Medical Research Council.

In certain countries in Europe, and in the United States, large multinational corporations of the pharmaceutical industry do much original research. Canada enjoys this second hand. These companies also subsidize university and research institutes in those countries.

It is important for Canada to retain her present eminence in research, and it is hoped that the medical research funds will not be cut, but rather that they enjoy the same rate of increase as the hospitals and the medical profession; in other words, according to the present guidelines.

There has been much argument in Canada about the whole health delivery system. The four cornerstones, universality, portability, accessibility, and government administration are very prominent in our minds. We cannot argue with that a great deal, but in certain ways we do.

● (1510)

The cost of medicare was rising at over 20 per cent annually. It would be irresponsible to allow this to go on. However, the doctors that I know feel that free medical care, irrespective of recipient's income, is one of the weak points of the system. Many people also believe that old age security for everyone cannot be defended.

There is no doubt that health and accident sickness insurance companies were charging in their premiums $1.25 to $1.55 for every dollar of benefit. But cost of administration had risen in the last few years. The government claims it can provide a dollar benefit to hospitals and medical incomes for $1.03 from tax money. This is rather unrealistic to me. This does not take into account any of the expenses required to borrow money or the expense in the civil service for the handling of money. It refers only to the administrative costs of doling it out to the provinces.

Doctors feel, as far as I can make out, that there should be a sliding scale of participatory payment of insurance according to incomes. I agree with that idea. The socialist group feels that a means test is a demeaning manœuvre. This is not so, in my opinion. The very wealthy would pay a certain premium for the same services and the scale would descend to zero at the poverty line, which would presumably take in a great many of the retired people, invalids, handicapped, and other low income groups. Everybody would be given identical care in doctors' offices and in hospitals.

In Ontario many small hospitals are about to be closed. There is a rumour that the city of Port Colborne may lose its hospital; this would be a shame and I cannot quite believe it.

A sizable percentage of "acute" beds are being closed in every hospital in the province. This is an attempt to reduce the cost of hospital care, and it is quite true that many people are in acute beds who do not need that level of care. It is also true that there is a small percentage of people admitted to hospital and treated surgically as well as medically when these patients are not always in the category of urgent treatment. I think that the type of doctor practising in this manner is not as common as some years ago, but this type of practice did exist. However, I would hope that the provinces will call a halt to the closing of these acute beds at such an alarmingly rapid rate.

Hospital care may be cut to some extent because that was the portion of the cost which was increasing at such a rapid rate. Doctors' incomes have had a low rate of increase for the past several years. It was about 4 per cent in two of the years, 7 per cent plus in another year, and there was no increase in another two years. At the same time one has to remember that there was a windfall increase in doctors' incomes of around 35 per cent to 40 per cent when medicare was instituted. This was due to the fact that 90 per cent of the bills were paid instead of 65 per cent to 70 per cent. One cannot forget, however, that the doctor does get paid for only 90 per cent of his potential income under medicare.

The Minister of National Health and Welfare states that doctors will have to regard their raises as related to the

year 1971. But more truly would be the years preceding the institution of medicare, because their style of life did rise very quickly since medicare began. All this will have to be accepted. Dr. Grisdale of Calgary, President of the Canadian Medical Association has already appeared before the Standing Committee on Health, Welfare and Social Affairs and indicated acceptance of the guidelines since October, 1975.

One thing that worries doctors in Canada is the role of government in medicine. Our government has a tendency to point to the improving infant mortality and longevity tables as if it were due to medicare. However, these same improvements are present in the United States, where there is no universal medicare. These improvements are really evidence of increased medical and public awareness of the need for better care for pregnancy, good care at childbirth, and the post delivery care of the infant, along with the recent institution of intensive care therapy. Improvement in health in Canada recently stems from the great advance in medicine and surgery following the second world war.

One has to give credit to the provincial governments as well as the federal government for building excellent hospitals in the affluent years of the fifties and sixties. Certainly all these improvements in health have not been due to government interference in the health field, that is, as far as medicare is concerned.

At this time I would deplore attempts to curtail too quickly our present style or system of medical care in hospitals and in doctors' offices. One must realize also that there is a dangerous feeling in some circles that prevention or personal change in living habits will do a great deal to make everyone healthy and almost put the country in such a blessed state that a great reduction in the cost and complexity of medical care can be produced. This, I think, is an impractical dream.

The huge population increases of the past 20 years have been really due to the discoveries in preventive medicine. Starting with such things as prevention of smallpox, plague, typhoid, cholera and other widespread epidemics, and the introduction of antibiotics which have reduced deaths from bacterial infection, to the subject of viruses—which may come under control soon; all these have collectively conspired to lengthen longevity. However, we still do not, and will never have complete control over blood and tissue tumors, natural disasters, road, rail and air accidents, industrial accidents, congenital defects, and defective organ inheritance producing premature mortality. Certainly change of life style, reduction of obesity and other health hints will do something, but will not change much the need for hospital care.

Painful maladies, low back pain, degenerative arthritic joints, causalgic pains have been treated in the past by irregular practitioners, and by everything from quackery to faith healing, yoga, transcendentalism, and acupuncture. Recently there was a scientific breakthrough with the discovery of transdermal electric stimulation. This may be very helpful or even curative. These simply are things which are here and must be mentioned because they do take a lot of medical care and are not amenable to amelioration entirely by "taking thought".

One of the benefits that the voluntary health committee of the House of Commons conferred was to hold a luncheon meeting with Dr. William Ghént of Queen's University, and Dr. Ken Wilson of Ottawa, to discuss the question of traffic accidents. In that committee they showed us that half the mortality, half the morbidity, and half of the cost of traffic accidents could have been prevented. They were working as members of the traffic accident research foundation. This body proved that the total cost to Canada of road accidents is $2 billion annually. The number of lives lost in the province of Ontario is over 1,700 annually.

Prevention is directed to reduction of the number of alcoholic drivers, reduction of the speed limit, and the mandatory use of seat belts. These would be very easy to promote in a big educational campaign on television. I believe the Minister of National Health and Welfare is pushing this concept at the present time.

All these things that I have mentioned have helped reduce the amount of sickness and the number of people who die too early, or who are incapacitated by illness. However, there is a belief among some health and welfare officials that we could get along in the future without much medical care if people believed in the precepts of proper personal health direction. I regret to say that this is not at all likely, and I do not think that the present number of hospital beds should be reduced any further.

When this act is passed the provinces of necessity will have reduced their expensive hospital facilities to some extent. By then they can enjoy a long breath as they look forward to the next two years. It would appear that the 10½ per cent would be the bottom of the reduction as allowed for annual increase. This of course will be dictated by the inflationary rate and the new agreements.

When we discuss a health care delivery system we have to admit that our present system has grown without too much planning. It has developed in line with those of all other modern industrial societies. However, we have now a medical profession which is enjoying private practice without its members being salaried government servants as they are in England, Sweden, and to some extent in Germany.

● (1520)

We have built large hospitals with excellent emergency departments and excellent intensive care units. The hospitals have been departmentalized and any urban centre of 20,000 or over has usually had an excellent staff of general practitioners, pediatricians and specialists in all the usual diseases, all well trained and academically certified. Many people wonder why anyone would change this. The only reason of course is to cut costs.

I do not think there is much doubt that in the parts of Canada which have average density of people, medical and hospital care are known to possess the highest quality in the world. When one talks about changing the present system one would have to experiment, and a sudden experiment might be disastrous. At the same time we will have to make some changes in the system. It is quite irresponsible to let total medicare costs absorb more than the 6 per cent or 7 per cent of the gross national product, which they now absorb.

I have been in Nigeria where they had one genito-urinary surgeon for the whole 20 million people in the north. I have been in India and have seen highly trained specialists congregating in the cities and doing general practice for wealthy people, instead of accepting public health positions at a low salary to bring medical care to the poor.

In Canada our main unserviced areas are on the frontier. Certainly salaried people, doctors, nurses, and technicians, should be provided and are being provided. We are doing our best with aircraft to transport seriously ill victims of sickness or accident to proper centres.

There are very few Canadians who would really accept the second-class services of community centres after having had the high quality medical care which they now enjoy. It is all very well to use a nurse and a nurse-practitioner as front line defence against the surges of applicants for medical care, or to use a surgical technician instead of a doctor to assist in operating rooms. I have gone through all that in my army experience, and in Nigeria. It just is not as good. So I believe that furture lowering of costs can only be done by continuing sensible preventive medicine and pruning frills from hospitals and medical care. Some of these expenditures are due to inertia and laziness. For instance, total laboratory examinations, totally complete X-ray examinations, and total physical examinations sound good, but are merely ways of avoiding taking an interest in each patient, spending the time necessary to dig out a complete and pertinent set of facts about the case history, and doing a fair amount of thinking about the case.

Although we could do much to improve mass health delivery systems, we will never improve on the combination of experience backed by academic qualifications, and the use of brains by the medical practitioner.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to intervene in the debate taking place this Friday afternoon in this quiet, thoughtful atmosphere. I listened to a couple of thoughtful speeches which were made this afternoon.

I read the speech of the Minister of National Health and Welfare (Mr. Lalonde). I am afraid I could be in the House long enough to hear only part of what he said, but I read his speech with great care.

I was also unable to be present in the House when the hon. member for Athabasca (Mr. Yewchuk) spoke, but I read his speech with great interest. I thought it was a thoughtful and strong speech on the subject. I notice that there was some controversy about the extent to which the Minister of National Health and Welfare listened to the hon. member for Athabasca. I do not know to what extent he was able to listen to the hon. member for Athabasca, but I hope that in this quiet, thoughtful atmosphere he will listen to me.

The hon. member for Athabasca said just about all there is to be said about the bill when he described it as an arbitrary, unilateral act by the federal government. Since I feel that this bill reflects a most arbitrary, unilateral approach to health care and, in a broader sense, to federal-provincial relations, I feel impelled to intervene in this debate, even thought it is 3.30 on a Friday afternoon. But no matter how eloquent I may be on a Friday afternoon, I doubt if I can express my indignation at this bill.

I hope the minister will not mind my saying that in my various capacities I have been involved in this area longer than he has been. I do not say that with a view to delivering him lectures on how the Department of National Health and Welfare should be run. I say it simply as a preface to my remarks, which arise out of my experience in negotiations connected with health plans.

Although as a provincial premier I was not involved in the negotiation of the hospital plan, I was in politics in those days and followed closely the scope of the plan. I know beyond doubt that the nature and terms of the plan were dictated by the federal government of the day. Some provinces had grave reservations about all aspects of the hospital plan, but the federal government persisted and, eventually, all provinces of Canada were persuaded to participate.

I was involved in the negotiations leading up to the medicare plan and know, of my personal knowledge, that the representatives of the Government of Canada insisted on the present medical plan being adopted if the government were to participate. The federal government imposed this program on the provinces. I do not for a moment say that all provinces were reluctant to accept. If I remember correctly, the province once headed by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) did not have great reservations about the plan as proposed.

Mr. Douglas (Nanaimo-Cowichan-The Islands): They were in the field.

Mr. Stanfield: Yes, they were in the field, and their plan was substantially the same as the present program. But, as I am sure the hon. member for Nanaimo-Cowichan-The Islands will agree, not all provinces came to the federal government. Not all of them knocked at the door and begged for a plan in precisely the form of this plan.

Mr. Douglas (Nanaimo-Cowichan-The Islands): They were induced to come in.

Mr. Stanfield: They were induced to come in.

An hon. Member: What about your own province?

Mr. Stanfield: Mr. Speaker, the hon. member must listen.

Many provinces had grave reservations about the form of the plan and were gravely concerned that it would lead precisely to the kinds of difficulties about which the government is worrying today. An even more basic concern of the provinces when these programs were being negotiated was that the federal government would get them launched, run around the country pounding their chests, proclaiming the great thing they had done, and then saddle the provinces with the cost. I felt this concern as the premier of Nova Scotia and I know it was felt by other premiers too. And that is exactly what we are seeing today. The government has given notice of its intention to withdraw from the hospital plan.

● (1530)

Mr. Lalonde: And replace—

Mr. Stanfield: And replace what?

Mr. Lalonde: And replace the financial arrangements.

Mr. Stanfield: Here we see the government attempting to impose a ceiling unilaterally, not on the cost of medicare in this country but upon the federal government's contribution toward the cost of a program which the federal government itself has insisted that the provinces establish and administer. Madam Speaker, surely treachery is not too harsh a word to use to describe conduct of that kind. There is no other word for it. I must say it is consistent with the behaviour of a government which seems to regard itself as in no way bound by its word.

The minister has offered what he considers to be some concessions. He intends to move amendments which he described as improvements. One of these alleged concessions is that the very arbitrary ceilings on the federal contributions for the years 1976-77 and 1977-78 would be preserved but that from then on a new flexibility will be introduced. The rigid ceiling which was in the previous bill is to be dropped. Let me say that the ceilings for the next two fiscal years are entirely arbitrary. They are not to be related in any way to what will happen, to what the experience of the provinces might be, or to the success or failure the government might have in controlling inflation. The ceilings which remain for the next two years are entirely arbitrary, and the minister cannot justify using those figures or asking parliament to adopt them.

In the second place, far from having made a concession or an improvement in taking out the ceiling for the subsequent fiscal years, the minister is giving himself a blank cheque in those subsequent years. That is what he is asking parliament to do. Much as I would hate to see those set ceilings continue—I would fight them in the next two or subsequent years—I would prefer to see some figures set out in the act than to see the provinces left to the tender mercies of the minister after what he calls consultation with the provinces. I say to him, Madam Speaker, that after the next two years for which there are specific ceilings set out, the government, if it is still in power—and God preserve the people of Canada from such a fate—the minister, or any minister who might be minister of national health and welfare, could arbitrarily impose a ceiling of his own choosing on the contribution the federal government would make to the cost of medicare in this country.

I do not think the hon. gentleman will have much success in persuading anybody on this side of the House, or very many people in the country, that the government will in fact work out an agreement with the provinces as to what those ceilings should be. I am as sure as I am standing here that not one member of any provincial government today believes the Government of Canada will do anything but impose a highly arbitrary ceiling on its contribution following the two years in respect of which ceilings are set out. I say that if parliament passes a bill imposing specific ceilings for the next two years and giving the minister, or the government, the discretion to impose ceilings for subsequent fiscal years, parliament will be participating in a betrayal of the total understanding upon the basis of which this plan was launched a number of years ago.

The minister spoke of incentives. He wants to give the provinces a greater incentive, he said, to control the cost of medicare. As the hon. member for Athabasca pointed out, the provinces already have a very strong incentive to control the cost of hospital care and of the medical program since, in rough terms, they pay 50 per cent of the cost. This, in itself, is a very significant incentive. It is hard enough as it is for many of the provinces to bear the 50 per cent of the cost they are called upon to pay, and they struggle mightily to control the expense of this plan.

If the minister does not yet know, I can tell him it is very difficult for the provinces to control increases in the cost of these programs. Certainly I can speak for my own province. The provincial commission dealing with medicare and the one dealing with hospital care are very tough. If things are anything like they were when I was premier—and I suspect they are—they are constantly at war with many parts of the province in connection with services or improvements which are wanted in one direction or another. The problem is that every body wants as high a standard of service as it suspects anyone else is getting. I just heard the hon. member for Welland (Mr. Railton) say he does not think the number of active beds should be cut down any further. I also heard him say he felt it would be a mistake to bring about any drastic revision of the doctor-patient health delivery system which now exists.

The nature of the plan imposed on the provinces by the government makes its cost very difficult to control. I agree as to the importance of control. I agree also with what the minister had to say about preventive measures which could be helpful. His suggestion about cutting down highway accidents is one which appeals to me. I spoke in the House on this subject the other day and I certainly would support the thrust of his efforts in that direction, together with measures he might propose.

It might well be that health delivery care arrangements could be more efficiently organized, although I would judge from the remarks of doctors to whom I have spoken, and from listening this afternoon to the hon. member for Welland, that there are no great magical possibilities in this area. Granted that there is room for improvement in these delivery systems and that we should try to determine needs, I cannot accept that the federal government, which virtually imposed these plans upon the provinces, should now impose an arbitrary limit on its contribution during the next two fiscal years, trying to arrange things so that, following those two years, it can impose upon the provinces any limit that the minister of health may see fit. That to me, Madam Speaker, is unacceptable.

● (1540)

I do not want to be offensive to the minister or his colleagues, but I have to say that the announcement out of thin air in the budget of the former minister of finance last June, and the subsequent steps the minister of health has taken to implement the announcement, are conduct that I can only describe as shabby and treacherous. I have to say to you, Madam Speaker, that the rules of parliament prevent me from expressing to the minister what I really think of him and his colleagues in this regard. I call upon this House, and upon what I hope are some decent members on the other side of the House, to reject this effort on the part of the minister of health and his colleagues to go

back on their word and betray everything they stood for when they were making these enticing propositions to the provinces and the people of Canada a number of years ago.

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, I am happy to take part in this debate this afternoon, especially because of the opportunity offered to me to join in the discussion just after the hon. Leader of the Opposition has spoken on the same subject.

[*English*]

I feel it is important that at this point in the debate I seize the opportunity given me to praise the work of the Leader of the Opposition in this difficult period of history for his party. I have admired him especially during the last two weeks because I know he has had some very important decisions to make, and in all of them he has shown a great sense of fairness and justice for all those involved in the forthcoming leadership convention. I am greatly impressed by the way he is performing his present functions.

[*Translation*]

However, Madam Speaker, I cannot agree with some statements he made today. On the one hand, he said that the federal government had imposed medicare programs on Canada. I do not believe that is correct. On the other hand, he mentioned that in the bill before us, the government is taking unilateral action without giving adequate consideration to the provinces' budgetary plan that must take inflation into account, as all other governments of this country have to do at the present time.

Madam Speaker, when we are talking of consultation, we must not restrict the scope of this term, that is refer to consultation merely in terms of expenditures. When a decision is taken about the number of hospital beds, or about building new hospitals, or else to enlarge existing services, it is quite obvious that all these decisions have an immediate and direct effect on the bill to be paid.

In the context of the present legislation, the federal government is prepared to meet the costs without saying a word about how they are incurred. The provinces have full discretion to plan the extension of their services and the salary scales of health professionals.

Now, Madam Speaker, both factors cannot be excluded from the bill to be paid. Thus, for example, in Ontario in measures announced before the budget speech in June, the salaries shown for health professionnals as well as aids were to be increased by 22.6 per cent for 1976-77, by 20.7 per cent for 1977-78 and by 18.6 per cent for 1978-79. In the same province salary increases of over 50 per cent were granted to nurses on an 18-month period for 1974-75 and they were even prepared to vote another for 1976. Substantial raises were also expected in British Columbia.

It is quite obvious, Madam Speaker, that if all provinces unilaterally establish a fee schedule and decide to plan hospital facilities and to improve medical cares—those are objectives shared by each and every province—all those provinces incur expenses which are certainly desirable but they do so without a second thought for the bill they will have to pay. Those provinces contribute so much to swell the budget expenses that it is impossible even to think about any budget planning in health costs in Canada.

[Mr. Stanfield.]

However, Madam Speaker, you know that on October 14 the Prime Minister urged the provinces to better co-ordinate their public outlays because health expenditures are those we will have to reduce in the first place. I cannot think, Madam Speaker, it would be possible to co-ordinate our budgets at both provincial and federal levels unless we have considerably more than an inkling of the amount of the bills we will have to pay within five years.

It is essential, Madam Speaker, that the provinces put their own planning in order, not to prevent them from improving the services they administer to the patients in their own area, but to ensure that the improvement of services will be the same throughout Canada.

It is true that some provinces are in a better financial position. They can put more money in health services than others which unfortunately are financially limited. And those provinces which are financially well-off exercise considerable pressure on those which find it hard to maintain minimum standards.

● (1550)

Bill C-68 does not seek to prevent provinces from upgrading their services or moving within a planning scale. Bill C-68 aims at setting minimum standards within which the federal government will continue to participate in the planning and financing of the existing program upgrading.

Consequently, Madam Speaker, I do not think that the provinces which have additional funds allowing them to keep on upgrading their services will be prevented from doing so in the present situation. The danger and the risk we are now facing is that without this legislation being passed, the financially underprivileged provinces will not be able to catch up with the well endowed provinces which will have made progress while we have lost all control over soaring costs.

Bill C-68 is not then an imperative legislation, it is one which tends to maintain the philosophy the federal government has always advocated and defended since the beginning of the seventies.

You will recall, Madam Speaker, that during those years we had reached an agreement between the 11 government levels to sign the Victoria Charter.

You will also remember, and the hon. leader of the opposition (Mr. Stanfield) took part in those sittings, that during that conference one province in particular had not given its agreement, mainly on the basis of the coordination of health and social security services in Canada.

Now, it is absolutely striking that today the same province unilaterally supports the objectives of federal coordination and acknowledges that the role of the federal government is to maintain these minimum standards of health and social security services. Therefore, I do not accept, as some members of this House would have us believe by their indignation and their protests, that the provinces are completely unhappy with the health care plan as it is now administered in Canada.

Obviously, there are some parts of the country which are not served adequately. In some regions, there is also a lack of physicians and specialists. It is the responsibility of the province concerned to provide such coordination within

the province. It is its responsibility to establish a scale of wages, salaries and allowances which will result in equal health care services for all citizens, wherever they live.

Bill C-68, Madam Speaker, is not designed to keep Canadian citizens from equal access to health, but rather to avoid an over-concentration of health services where the financial basis is wide enough to provinde the luxuries which other areas of the country unfortunatly cannot get in this economic context.

Consequently, far from being in jeopardy, the objectives the government had set itself in the '70s, when it tackled the gigantic task of the internal organization of health services, will be achieved. In fact, Bill C-68 is designed precisely to better guarantee the citizens access to health services in times of inflation. Therefore, Madam Speaker, I cannot agree with claims to the effect that the government is acting unilaterally. On the contrary, the very provinces who are least able to make up for increasing costs are all for Bill C-68.

Mr. Stanfield: Not at all, that is simply not true.

Mr. Joyal: It would never occur, Madam Speaker, to any sensible person, that he should foot the bill without having a say in the decision. Nor would it ever occur to any of the governments in Canada to increase thoses taxes because one of them, whether in Western or Eastern Canada, in central Canada or elsewhere in the country, is adding indirectly to the costs to be borne by the federal government, through its decision to improve its own services over and beyond the national standards.

We are now in a situation where the federal government will have to curtail projects, and programs of extreme importance to the betterment of the living conditions of Canadians, unless it does something about increasing health costs. I feel, Madam Speaker, that Bill C-68 is intended to ensure that the government of Canada maintains its leadership within the minimum standards that must apply throughout the country.

Bill C-68 expresses the federal government's desire to ensure that provincial governments, which want to provide more than minimum standards will seek in their own coffers the money they need to update their medical services. Consequently, this is not unilateral action, but action intended to protect the poorer provinces and allow them to offer the minimum standards within their present medicare services.

The leader of the opposition protests, he has the right and he has to do so. I listened very carefully and I hope that later he will have the opportunity to answer to my questions, but I am personally convinced that the medicare program, as it presently works, was not imposed unilaterally by the federal government. On the contrary, this discussion has been lasting for the last nine years. The first bill was introduced in 1966. The debates lasted more than five months, and though during the 1965 campaign the three main political parties in Canada—the Liberal party, the Progressive Conservative party and the New Democratic Party—all recommended complete medicare, when the vote was taken in the House in 1965 all those parties voted by a margin of 90 per cent for the adoption of the present medicare system. It would be misleading the House to pretend today that the government had imposed medicare at that time. On the contrary this debate has been going on for nine years. Ever since 1970 there have been many federal-provincial conferences aiming at achieving closer coordination of the health and social security programs. At each stage of the discussion, at each level of decisions, there were press releases expressing the consensus which was beginning to take shape within the different governments of Canada in view of continually improving health care.

However, Madam Speaker, when financial measures aiming at improving the coordination and distribution of funds are adopted there are always government levels or agencies which do not feel free to take advantage of the financial options which may exist within the whole budget. Let us remember that the aims of Bill C-68 are written in the law which was adopted by Parliament in 1965. Therefore it cannot be said that we are dealing with a unilateral measure but on the contrary with a measure which is in keeping with the government's aim to ensure accessibility to the same quality of medical care throughout Canada.

[*English*]

Mr. Douglas (Nanaimo-Cowichan-The Islands): Madam Speaker, may I call it four o'clock.

The Acting Speaker (Mrs. Morin): Is it agreed that we call it four o'clock?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Madam Speaker, I rise on a point of order. At one stage this week there was some uncertainty about what we might be dealing with on Monday. Can the parliamentary secretary to the government House leader advise the House of the government's intention for Monday?

Mr. Blais: Madam Speaker, I am pleased to advise the House that on Monday we will be proceeding with Bill C-68.

[*Translation*]

The Acting Speaker (Mrs. Morin): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, private bills and notices of motions.

[*English*]

Mr. Blais: Madam Speaker, after consultation in the usual way, I believe there is general agreement to deal with private members' order No. 57 under public bills on page 11 of the order paper, a bill standing in the name of the hon. member for Winnipeg North Centre (Mr. Knowles).

The Acting Speaker (Mrs. Morin): Is it agreed that all the other orders shall be allowed to stand?

Some hon. Members: Agreed.

House of Commons

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

BRITISH NORTH AMERICA ACT

AMENDMENT TO INCREASE HOUSE OF COMMONS QUORUM

Mr. Stanley Knowles (Winnipeg North Centre) moved that Bill C-257, to amend the British North America Acts, 1867 to 1965, with respect to the quorum of the House of Commons, be read the second time and referred to the Standing Committee on Procedure and Organization.

He said: Madam Speaker, I suppose it is because the notices in the lobby indicated that this would be the subject of debate this afternoon that we have a better attendance at four o'clock Friday afternoon than we usually enjoy.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Madam Speaker, do all these interruptions come out of my time?

The purpose of this bill is to exercise our right in the Parliament of Canada to amend the British North America Act with respect to matters that are exclusively federal and, in doing so, to increase the quorum for sittings of this House of Commons.

● (1600)

Ever since the year one, namely 1867, section 48 of the British North America Act has read:

> The Presence of at least Twenty Members of the House of Commons shall be necessary to constitute a Meeting of the House for the Exercise of its Powers, and for that Purpose the Speaker shall be reckoned as a Member.

I suggest that if any of us were to ask, as I have, ordinary persons what they think the quorum of this place is, from those who do not know you would never receive the answer 20. Some think it is 50 per cent, or 50 per cent plus one, and when you tell them it is not that high they will come down to 100 or even to 50, but those who do not know never come down to 20. They find it difficult to understand when they are told that it is 20 in a House of Commons whose members number 264. They find it difficult to understand that it is only necessary to have 20 members present to carry on the business of this House.

I wonder if hon. members are aware of the reason that figure is there. I suggest it was not just pulled out of a hat. It is the figure that was in the rules of the old parliament of the province of Canada which was in existence from 1841 to 1867. There were in that assembly 130 members, 65 from Upper Canada and 65 from Lower Canada. We have seen again some of the sessions of that House in the Pierre Berton CPR show. I simply say to members that that is where we got the figure 20.

An hon. Member: From Pierre Berton!

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Not from Pierre Berton although it would seem that we get a lot of things from him. We got it from a house of 130 members which had a quorum of only 20. When 1867 came along and this House was constituted the original membership was 181. I suppose the Fathers of Confederation thought that if 20 was a sufficient quorum for 130 members it was sufficient for 181 members.

[The Acting Speaker (Mrs. Morin).]

But we are now 264 members, and surely the fact that 20 was sufficient for 181 or 130 does not mean that it is a sufficient quorum for 264 members. As a matter of fact where did that 1841 assembly of the United Province of Canada get the figure 20 as a quorum? It got it from the rules of the assembly of the earlier body which constituted Lower Canada or Quebec by itself. I confess I have not been able to find out how many members were in that body. I hope someone will find out and tell me, but I suspect it was a much smaller number than 130, probably 65, 70, or something like that.

It is all because some time ago in a small body of 60, 70 or so members, 20 was a quorum that the figure 20 has persisted down through the years; now we have 264 members and it is still our quorum under the BNA Act and the Standing Orders of the House. The quorum is still only 20. I do not think that is good enough. I think the public is justified in being concerned that at times the attendance of this House can get so low.

If I seem to be levelling any criticism in saying this I am levelling it at the entire House and at all parties. None of us can throw many stones when we talk about attendance in the House, although I suppose I could put in a word or two to the effect that my attendance record is not bad.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I was hoping I would get applause for that and I thank my hon. friends, especially those opposite.

I know the arguments that will come forward during this debate. Earlier this afternoon I noticed one of the hon. members opposite handing out sheets of paper to four or five members on the government side who usually take part in the talking out process. I asked him where was my speech. He did not give me one, so I have to make my own.

Mr. Blais: I rise on a point of order, Madam Speaker. On the question of creating speeches and handing out speeches I think if the hon. member is to make comments of that type he should indicate to the House that he received exactly the same material that was handed out to members on this side of the House.

Mr. Knowles (Winnipeg North Centre): I was avoiding embarrassing the hon. member by not indicating who it was, but now he has done so.

I know one of the main arguments will be that there are other things members of parliament have to do. There are committees, there is work in the office, and there is work back in the constituencies. However, I suggest there never is a time when 244 members have to be out of this House at the same time. That is what is being said when it is argued that the quorum can only be 20 because members have to be somewhere else.

The committee process sometimes becomes almost impossible, but we never have more than five committees meeting at the same time. That would account for 100 members, but our membership is 264 and I submit that

these arguments that we cannot be here because of the requirement to be other places does not really stand up.

It is argued of course that all the debates are not exactly interesting. I suppose that is an argument which could be made right now; why stay in the House to listen to me speak? This is the main thing we are elected to do. We are elected to be members of parliament and to participate in the democratic process here on the floor of the House of Commons. We have to do a lot of other things, too, and we do them.

This is a full time job. I do not think any of these arguments excuse us from having a much better attendance in this House than we have a good deal of the time. We are here at two o'clock. This place is almost full and the press gallery is full, but a little later there are very few members here except the Friday afternoon faithfuls who are always here, and we still have one faithful in the press gallery.

Someone will point out that I have introduced this bill quite a number of times. That is true. I have not counted the number of times but it is probably 10, 15 or 20, and I have not yet succeeded. I think I shall win my point very soon. I may not win it by getting this bill passed or by having the quorum increased, but I think I shall win my point that there should be better attendance in the House. Do you know what will do it? Television.

If we get the television cameras in here and the people back home start to say, "I was watching the House of Commons the other day—where were you because I did not see you?"—this will have its effect. I hope that day is not far off. There is a motion on the order paper having to do with this and the Standing Committee on Procedure and Organization has spent a good deal of time on it. I do not think this is far down the line. So, as I say I hope that day will soon come and we will have better attendance in the House because the people will be watching us and expressing to us the view that we ought to be here.

I know one argument that will be raised against increasing the quorum to 50, which is what my bill proposes to do, and which I believe is consistent with 20 prior to 1841 and 20 between 1841 and 1867, will be that because of one rule, namely, that when the House is found to be short of a quorum it must adjourn for the day, this would put us in some difficulty.

One of my colleagues whom I shall not name said to me when he heard what I was going to do at four o'clock, "What do you want, Stanley; do you want the House to adjourn every day?" I do not think it is impossible to keep 50 people here. But I would be happy to change that other provision and provide that when the House is found to be short of a quorum instead of adjourning we simply stop the business of the House for a moment and the Chair order the bells to ring and get the members in here and carry on.

Mr. Francis: But your bill does not provide for that.

● (1610)

Mr. Knowles (Winnipeg North Centre): May I point out to the hon. member for Ottawa West (Mr. Francis) that neither does the BNA Act provide that other rule. In fact the rule under which we adjourn for the day is not even a Standing Order, it is in the citations in Beauchesne somewhere. So that would not be difficult to alter at all, and I think that if this bill were sent to a committee that is one of the recommendations that could be made. With the very high attendance this afternoon—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Six of us in my party are here, and if the same proportion of all the other parties were here this afternoon that would give us an attendance of about 100. We are not quite up to that, but the attendance is pretty good. At any rate I suppose that with the liveliness in the debate and the fact that a good many members have already made their contribution by interrupting me, the possibility is that this bill will get the usual Friday afternoon treatment.

Some hon. Members: No, no!

Mr. Knowles (Winnipeg North Centre): I hope that there will be a general consensus that, whether my bill in its precise form is approved or not, the subject of attendance in the House should be discussed and that for that reason this bill, or certainly its subject matter, ought to be referred by the House this afternoon to the appropriate committee.

It has been a joy to get all these responses. I am glad to know that members are interested in this question. I really do not see how anyone can defend a mere 20 as a sufficient quorum for the business of the House. I certainly think it should be larger. I think we should take steps to improve the attendance of members in the House, and for that reason I hope that this bill will either be passed this afternoon and sent to the appropriate committee or, if that is too much for hon. members to swallow, that at least the subject matter will be sent to the appropriate committee so that this question can be thoroughly discussed.

The Acting Speaker (Mrs. Morin): Will the hon. member for Winnipeg North Centre (Mr. Knowles) allow a question from the hon. member for Calgary North (Mr. Woolliams)?

Mr. Knowles (Winnipeg North Centre): Certainly, with pleasure.

Mr. Eldon M. Woolliams (Calgary North): I will put my question very succinctly. What is the quorum in the British House, and what would be the hon. member's comment on what I am sure he as a senior member of the House appreciates, namely, that if all the British parliamentarians appeared in the House on one day there would not be room for them to sit? I should like the hon. member to comment on those two questions.

An hon. Member: Forty.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, the hon. member has already been given the answer from across the way. The quorum in the British House is only 40 out of a much larger number. Perhaps they have something else. Their House is smaller, there is not enough room for everybody to be there. I think that perhaps if we

had to crowd together to get into this place we might be here in greater numbers.

May I also remind the hon. member that in both Houses in the United States the quroum is 50 per cent plus one. But of course down there they follow that other rule that if the House is found to be short of a quroum, instead of adjourning the bells are rung until members get there. I recognize that there is a quality of debate in the British House that is not always apparent here. But I sat there a few times in the gallery when it was as dull as this place can get.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): But I suggest that there are other things that make up for the quality of debate there that we could emulate as well.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I would like to join my colleagues on all sides of the House in welcoming on behalf of the hon. member for Winnipeg North Centre (Mr. Knowles) a most unusual number of his colleagues here. As we enter what I think is one of the most important parts of the parliamentary week, that is, private members' hour on Friday afternoon, we are all happy, those of us who are here regularly on Fridays, to say to our good friend and senior member of the House that the loneliness of his usual weekly sittings has been lifted by the presence of his smiling colleagues around him.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I want to say that frankly I look forward to next Friday when I am sure that group over there will increase from five to eight. They must not overdo it!

My hon. friend knows from the friendship between us and the very high regard that I have for him that I make those remarks in friendship, and I make them knowing that there is perhaps no one more concerned about the proper workings of this House and its committees than is the hon. member for Winnipeg North Centre. I think that is acknowledged. However, there are some who are equally concerned, and I suppose there are some who do not really care, but the majority of us care rather strongly about how this House looks.

However, you know, Madam Speaker, there is a lot more to parliament than how it looks. There is a lot more to being a member of parliament than appearing in the Chamber, although I would have to say that this Chamber is the focal point of parliamentary life.

I believe the hon. member for Calgary North (Mr. Woolliams) touched on something that was quite important a few moments ago. He spoke about the quorum in the British House of Commons. The membership in that House is over 600, and yet their quorum is only 40.

The British House of Commons is held up as the model for the operation of this House of Commons. One of the things that struck me when I first visited it was the difference in the size of the chambers. Their chamber is small and compressed. But the debates I have heard there on six or seven occasions had a spontaneity about them and an element of true debate which is not present in this House in the sense of the interruptions, the back and forth throwing of comments, and the exposure in a graphic way of the two sides of the coin, and in some cases three sides of the coin, because we have to remember that we have a minority party of some significance in the House, at least in their estimation of some significance.

[Mr. Knowles (Winnipeg North Centre).]

• (1620)

I think we made a mistake in some respects in terms of the workings of this House when some time ago we increased the membership of the House. I think we could have considered decreasing the size of this House physically, the removal of the benches to provide a real debating chamber, which there is in fact at Westminster. There are some nights when it is dull there. However, I remember the last time I was there in November of 1974, and they were debating emergency legislation arising out of the difficulties they were having with IRA activities in London and in the surrounding communities. The day I was there a bomb went off in Piccadilly as I was walking through Piccadilly.

Some hon. Members: Oh, oh!

An hon. Member: Explain.

Mr. Baker (Grenville-Carleton): I disclaim any responsibility for that happening, but nonetheless I was there, and the headlines of the papers in London were dramatising that situation. The House of Commons was under guard on that occasion. Even with the pass given to parliamentary visitors one could not go from one door to another within the building without being stopped. It was a very dramatic situation. The House was not full for the question period, only half full.

As the debate wore on through the night there were fewer members on that occasion of great emotion in the British House of Commons than there were here throughout the whole of the all-night debate we had with respect to the rail stoppage some time ago. Yet the quality of that debate in terms of the issues being discussed was one of the high points in my life in terms of listening to the utterances of public men in the forum to which they were elected.

When we are dealing with this matter we must be sure we are not dealing with it only in terms of cosmetics. Members of the public have come to me saying that the House is empty and that there should be better attendance. I think the House would be full if there were always the drama of the question period or an emergency situation of some kind, but our life is not like that, and our House of Commons is a reasonable reflection of our life in this country. While I sympathize with the objectives of the hon. member for Winnipeg North Centre, I do not think this is quite the way this should be done. It is true that the life of a member of parliament is different now than it was in 1867 when this parliament started, or during the existence of the parliament of Upper Canada when the quorum was higher.

Mr. Knowles (Winnipeg North Centre): Upper and Lower.

Mr. Baker (Grenville-Carleton): My hon. friend referred to Upper Canada in the course of his remarks. There has been a basic change in our community, our society, and our way of life. We have much faster communication than there was at that time in terms of telephone, mail—sometimes—and in terms of the ease of people moving back and forth across the country. What has happened is that there is a burden placed upon a member of parliament—and I do not use that word in its usual sense—such as was never a burden in those days and which, by the way, is not the burden of a member of parliament in the United Kingdom today, and that is the intensity of the day to day constituency work of a member of parliament.

I do not have to quote the numbers of letters, requests, complaints, suggestions, and other things which have to be acknowledged and dealt with by a member of parliament. The office work of a member of parliament is a very important part of his representative capacity.

The hon. member mentioned House committees. There are a tremendous number of them. I suggest that perhaps we might think they are too large, but as our society changes and becomes more complex we will be working more and more in House committees.

I dare say our speeches are too long. I think they are repetitive. I think hon. members on the government side are from time to time too silent—and I do not necessarily mean to criticize the government, although that would be a delightful thing from the point of view of the opposition—in terms of exposing the two or three sides of every issue in a way which does not happen at this time.

If there were something interesting, engaging or absorbing in terms of a particular member of parliament and his responsibilities for his constituency, I dare say that member of parliament would be here for that occasion, but I think it can reasonably be argued that if the issue could be handled with greater knowledge by other members of parliament because they live with a particular problem, then those not directly involved ought not to have to sit in the House. If they do sit in the House they may be neglecting another very important part of their responsibility in representing 125,000 or so Canadians. Speaking candidly, I think we have lost a bit of spontaneity in debates because people tend to read speeches, and we tend to speak to each other—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member seems to forget that the subject of the bill is the quorum in the House of Commons.

Mr. Baker (Grenville-Carleton): Madam Speaker, I was just coming to that, and your intervention could not be more timely because what I am saying is that, despite the good intentions of the hon. member for Winnipeg North Centre with respect to a quorum, it can be, and on many occasions would be merely cosmetic rather than getting to the root of the problem, which is improving the opportunities of private members to have ideas considered here and later in committee, improving the quality of debate in the House, helping members of parliament to obtain information, and helping the backbencher on the government side to participate in debates of this House.

If those things were done it would not be necessary to do what the hon. member for Winnipeg North Centre is asking us to do, and it is to fly in the face of parliamentary tradition to become more conservative than the Conservatives by citing, as he does, the precedent of the rules of the House of Upper Canada. That is going back a long way, even for the hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Madam Speaker—

The Acting Speaker (Mrs. Morin): Is the hon. member rising on a point of order or to ask a question?

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Baker (Grenville-Carleton): Yes.

Mr. Knowles (Winnipeg North Centre): Would the hon. member not like to keep it straight that we got our quorum from the 1841-1867 parliament, and that that body got it from the assembly of Lower Canada, not Upper Canada?

Mr. Baker (Grenville-Carleton): I think it is safe to say that while the hon. member may have been a member of the parliament of Upper Canada, he certainly was not a member of the parliament of Lower Canada.

Some hon. Members: Oh, oh!

An hon. Member: That's worth three points, Walter.

Mr. Baker (Grenville-Carleton): Madam Speaker, my time is getting rather short, but let me say that I think everyone in this House appreciates the intentions of the hon. member for Winnipeg North Centre. I do not think there is any doubt about that, but if all of us and those who are observers of this House of Commons would think about it for just a moment—and certainly all hon. members have thought about it—there are many things in terms of some of the matters I have mentioned which might achieve what the right hon. member for Prince Albert (Mr. Diefenbaker) has urged for parliament, that is, to make parliament live a bit more than it does.

● (1630)

I think it is important as well that while we have shortened the time for communication—we have electronic devices to help us, computers that solve problems in a shorter span and we can produce things more quickly—we should note that the average member of parliament still just does not have enough time. I think all of us, including the hon. member for Winnipeg North Centre, want to improve this House of Commons realistically for the benefit of members on all sides of the House.

I hope I will be forgiven if I say I am particularly interested at this point in improving the rules and other amenities of this House for members of the opposition. I think that is important to the parliamentary process, but the procedure that the hon. member has proposed is not going to do that for members of parliament in their representative capacity. I want to thank all hon. members for their interest this afternoon, and I am sure the hon. member for Winnipeg North Centre is grateful as well.

Some hon. Members: Hear, hear!

House of Commons

Mr. Rod Blaker (Lachine-Lakeshore): Madam Speaker, I want to, and I will retain my great personal respect for the hon. member for Winnipeg North Centre (Mr. Knowles), not only because of my admiration for him personally as well as with respect to his role as one of the leading members of the House of Commons but also because he is renowned as one of less than a handful or fewer members of the House who are experts in parliamentary procedure.

I am going to do everything I can to make a distinction between the hon. member personally and my feelings about Bill C-267, which I find utterly without merit and which completely dissatisfies me.

The hon. member for Winnipeg North Centre proposes that we increase the quorum from 20 members of parliament to 50. The suggestion seems to me to be something less than meritorious. It seeks not only to worsen an already unsatisfactory situation in this House but goes even further, and suggests in effect that we willingly take this House back to nineteenth century Britain when the British parliament was organized to meet the convenience of a small group of titled lords and not very busy ministers.

The hon. member knows very well indeed that it is the governing party, the majority—in this parliament the Liberal party—which is traditionally bound to provide sufficient members to meet the quorum of 20. Not only do we do that but as the governing party we provide approximately 70 members from this side as ministers, parliamentary secretaries, Speaker and Deputy Speakers, committee chairmen, whip, deputy whips and so on. On top of that work load and time load, the hon. member for Winnipeg North Centre now suggests that we add still further to the problem by having to meet a quorum of 50 rather than 20 members.

Hon. members should look around the Chamber. There are at least two Liberal ministers here and there are 25 or perhaps 30 members of the Liberal party here. As is the case today, and is the case every day of every week in this House, it is this party that provides the quorum, not the NDP, not the Conservatives, and not the Social Credit.

Some hon. Members: Hear, hear!

Mr. Blaker: If the hon. member for Winnipeg North Centre had simply suggested in his bill that he wanted to amend the British America Act and the standing rules of the House to provide there would be all party responsibility for this quorum and every party would contribute to the time factor by having its members sitting tied to their desks, I might have found some sympathy for him.

I certainly do not find any sympathy for the bill the way it stands. It would simply see more Liberals tied at their desks in this House while members of his own party and other opposition parties rush across the country suggesting to citizens that the government is not getting its legislation through, that we are not doing our job, that parliament is not working. It is no bloody wonder! It is because we are tied to our desks here while at the same time no similar obligation rests on members of the opposition.

Some hon. Members: Hear, hear!

[Mr. Baker (Grenville-Carleton).]

Mr. Blaker: I would suggest to the hon. member that he take his idea back to his caucus, then go to the Conservative caucus and the Social Credit caucus and tell them that they are going to supply the quorum. I would be delighted if that happened. I do not think they would buy the idea.

Other members have referred to the British House of Commons. The quorum there is 40 out of 635 members. That is 6 per cent of the membership. Our quorum is 20 out of 264—8 per cent. The hon. member now proposes we go to a quorum of 20 per cent or 50 members. What for, Madam Speaker? To make us look better for the media? The media regularly report to the country at large that the House is empty but they never bother to say that there are scores and scores of members in their offices or in departmental offices, or seeing constituents, or working on legislation, or working on committees.

I am not going to suggest that we add 30 more Liberal members of this House—the governing party—simply to satisfy someone who says it looks better, when he does not bother to explain that every member of the House from every party has too heavy a work load already. There is no rationale to this House sitting the number of hours it does. There is no rationale to members sitting here day and night.

Some hon. Members: Hear, hear!

Mr. Blaker: I know my next remark can be interpreted personally by the hon. member for Winnipeg North Centre. I do not mean it that way, I mean it with the greatest respect; but some of us do have families and I am getting a little fed up watching the effects on my children of not having a father 12 or 14 hours a day.

Some hon. Members: Hear, hear!

Mr. Blaker: Madam Speaker, I want to remind the hon. member for Winnipeg North Centre of something. He and I, with others on the Standing Committee on Procedure and Organization, went to London to study the system at Westminster. We were very impressed with their efficiency because in two or three days they can get legislation through the system whereas it takes us two or three weeks, or months!

We wound up at a meeting where we talked to a very important person in the labour party. I am not going to mention his name. We were from all parties in Canada and I do not want to embarrass anybody by mentioning his name, but he was very senior in ranking. The hon. member for Winnipeg North Centre knows who I am talking about. We admired the system in Britain and we said, "You are so efficient, but how do you deal with the third party, the minor parties? How do you make sure they can participate in the system?" It was the very senior Labour party man who responded, and I quote him exactly, "We treat them with the contempt they deserve". We do not treat the smaller parties in this House with that contempt, Madam Speaker.

Look at the committee system here. If there were any rationale to the quorum being proposed by Bill C-267, why is it that in the committee system virtually every committee with which I am familiar has already organized matters so that no vote will be taken in the absence of one of the

minor parties? We give them that courtesy. What do we get in return? A demand that 50 Liberal members sit here listening to opposition members drone on for hours on end.

Mr. Yewchuk: As you are doing now.

Mr. Blaker: As I am droning on right now, as the hon. member suggests. I want to put forward a proposition, Madam Speaker. If that comment came from the Conservative benches I want to make it very clear that logic and history say we are going to change sides, and some day the people on the Conservative side are going to form the government of this country. I do not think they are any more anxious to put up with this procedural flim-flam than I am or anybody else on this side.

Mr. Prud'homme: I hear silence from the Conservatives.

Mr. Blaker: I want to point out some of the difficulties. We all talk about the UK system, about the mother of parliaments, but I should like to point out a couple of defects.

I am fed up seeing 30 ministers of the Crown sit here every day for an hour and a half when they do not have to be here, when three quarters of them are not asked any questions whatsoever, and the balance from time to time cannot believe the lack of organization in the questions they are asked. The administrative and executive time of the governing party is tied up partly on the front benches. In the United Kingdom there is a roster system and the men and women of parliament are out doing their jobs, not sitting twiddling their thumbs and waiting to answer questions that never come.

I am fed up seeing the Prime Minister (Mr. Trudeau) put in the same position every day. In the U.K. the Prime Minister goes before the House of Commons for question period maybe every two weeks, or on special occasions. In addition, the questions addressed to the Prime Minister of the U.K. are written in advance, provided to him in advance; hence he has the opportunity to answer them properly. The problem here is that we are continually agreeing to allow the question period to be completely the prerogative of the opposition parties; the cost is that we are tying up talent and all sorts of qualified people who are not needed for the theatre, so to speak.

● (1640)

Mr. Woolliams: The hon. member is making a modest speech.

Mr. Blaker: It is a modest speech, for I, as a backbencher, am simply expressing the frustrations felt by scores of other backbenchers in this House who are fed up to the teeth waiting for procedural reform to take place.

Some hon. Members: Hear, hear!

Mr. Blaker: I cannot find any merit at all in this bill. It seems to have something to do with cosmetic effects for the press and news media. Is it felt that it will look better in the press if we fill the House with more members? If that is the theory, I do not want to stay here tied to a desk for the benefit of the news media. That is not my role in life. Perhaps we should change the law, or the constitution, and secure better attendance in the press gallery.

I find no merit in this bill, with one exception. Obviously it has made one backbencher damned annoyed. I will put it this ways. I have been here only three years, and I am sure members far senior to me are laughing because they recognize the frustration of backbenchers with procedures of the House.

An hon. Member: Give up.

Mr. Blaker: To those who are ready to give up I say I am not yet ready to give up. This question will resolve itself in one of two ways. Either we are going to satisfy the Canadian people that we are serious and here to do our best to meet the problems of this country, or we will continue to operate some sort of play-pen in which half a dozen, or a dozen, or some small number enjoy the use of particular procedures available, and carry on to the detriment of getting legislation through the mill.

If it remains a playpen, those on my side will face one of two courses of action. Either we will get the opposition party, or opposition parties, to agree to reform the rules, soon, soon, soon—

Some hon. Members: Hear, hear!

Mr. Blaker: —or I, for one, will stop being gentlemanly about it, go to the backbenchers of my party and plead to the best of my ability that we use the government majority and steamroller through reforms, and do away with the archaic, stupid tactics which are constantly being used in the House of Commons.

Mr. Woolliams: That is a truly Liberal speech.

Mr. Blaker: There is not much more to add. Certainly it will not surprise the hon. member for Winnipeg North Centre to learn that I would not vote for this bill if his life, my life, or both our lives depended on it.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I warn the House that words do not come as easily to me as they do the hon. member for Lachine-Lakeshore (Mr. Blaker). Nevertheless I shall try to put forward some of my views with regard to Bill C-257.

No one can deny the urgent need for the reform of the rules of this House. There are several areas of reform with which I shall deal as I proceed. I believe the hon. member for Winnipeg North Centre (Mr. Knowles) is taking the wrong approach, and that is only one reason why I oppose this bill.

That reform of the rules is necessary is self-evident; but I am convinced that the kind of piecemeal approach which this bill represents will only add to the continuation of our archaic rules and procedures. Changes must come, but in an orderly and systematic fashion.

Mr. Baker (Grenville-Carleton): Without any steamroller.

Mr. Dionne (Northumberland-Miramichi): If necessary, yes.

It is my hope, indeed, that if no agreement in the near future can be reached among the parties represented in this House—and I mean in the very near future—the government will have the guts to bring before the House a package of reforms and put them through, so that we can operate in the twentieth century, not in the nineteenth century.

As my colleague said, our present rules might have been all right in 1867, in Great Britain; perhaps they were suitable to a gentleman's debating society, or suitable for members who came from the landed gentry of a compact nation. But even in 1867 they were not applicable to Canada, I suggest; certainly they are not applicable to us now.

This is a large country geographically and, as the hon. member for Grenville-Carleton (Mr. Baker) has said, members of this House have many duties to perform besides sitting in this House. We have other responsibilities.

I am glad the hon. member for Lachine-Lakeshore mentioned family responsibilities, because I see no reason why being elected to this parliament should mean that we should have to abandon our families, let our children grow up without their fathers and, as fathers or mothers, miss the developing years of our children's lives. It is not right, it is not fair, and is not part of our service to this nation.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): The family is the basic unit of society; if we abandon it, what kind of example are we showing our nation?

May I quote briefly from Appendix "C" of the report of the Committee on Procedure and Organization dated November 20, 1975. Referring to procedural reform, the committee asks: "How does the Commons use its time?" The answer is as follows:

> In the present session of parliament—up to the summer adjournment—the greatest proportion of time of the House of Commons was taken by matters other than government business. About 45 per cent was taken by question period, private members' hours, questions of privilege, adjournment debates and so on. Somewhat less than 40 per cent of the Commons' time was taken by consideration of government bills. Tne remaining 15 or so per cent of the time was taken by consideration of other government motions or on the Business of Supply, the approval of expenditures, (which takes place on days that are colloquially, but not completely accurately, called "opposition days").

The Acting Speaker (Mrs. Morin): Order, please. I see the hon. member for Yorkton-Melville (Mr. Nystrom) rising. Does the hon. member wish to raise a point of order or ask a question?

Mr. Nystrom: Madam Speaker, I rise on a point of order. I have listened to the hon. member for some time and noted he is not speaking to the bill. Perhaps you could call him to order.

The Acting Speaker (Mrs. Morin): I was about to ask the hon. member if he would speak to the subject now before the House.

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, I considered that I was speaking to the principle of the amendment to the British North America Act with which this bill deals.

[Mr. Dionne (Northumberland-Miramichi).]

Mr. Knowles (Winnipeg North Centre): The paper the hon. member has in his hand does not even mention the subject of the quorum.

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, I do not know why it should make the two members of the NDP present in the House uncomfortable to hear how the time of the House has been wasted. But, if it does, I shall cease quoting from the document before me.

If we are to amend the British North America Act, and amend the quorum, we must introduce some other amendments as well. We must eliminate the practice of sitting here half the night three or four days a week. There is no need for it.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): We must shorten the length of speeches and stop members from speaking for hours and hours on any particular bill or motion. There is no reason why members other than ministers or party leaders should speak more than 15 minutes on any topic. As far as I am concerned, 40-minute speeches on the part of other members of the House are unnecessary.

We must also place limits on the time available for the debate on any bill, and allow members to make arrangements whereby they can make regular and sensible visits to their constituencies. Also, we must assign to the minority parties in this House time limits proportional to their representation in this House.

Some hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mrs. Morin): The purpose of the bill is very, very clear; it concerns the quorum in the House of Commons. The hon. member talks about changes to the procedures of the House. This is not included in the bill today. The bill clearly concerns the quorum in the House of Commons. The hon. member for Northumberland-Miramichi (Mr. Dionne).

● (1650)

[*English*]

Mr. Dionne (Northumberland-Miramichi): Thank you, Madam Speaker. I thought I was trying to explain why I could not support the bill, but I shall not argue with your decision.

An hon. Member: Take your punishment.

Mr. Dionne (Northumberland-Miramichi): A little punishment would not hurt you. We got it on Bill C-69 which the NDP held up for a week, and the hon. member who orchestrated it all was not even here for the vote.

As to the quorum which has been suggested, would it be required that each party should provide members of that quorum in proportion to its strength in the House, or would that responsibility be foisted mainly on members who sit on the government side, placing more work and

more pressure on us in addition to our other duties in committees and elsewhere?

Will it mean, also, that in increasing the quorum in the House we should also increase the number of members required to stand up to demand a recorded vote so that the NDP, for instance, could not on any given day chain five of their members to the Chamber and then pop up and down every whip-stitch to require recorded votes in the House?

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Would he, along with that, say that when someone says no to a request to move a motion under Standing Order 43 he should stand up?

Mr. Dionne (Northumberland-Miramichi): Sure. I would be most happy to stand up.

I intend to end my speech, now.

Mr. Knowles (Winnipeg North Centre): With all those notes?

Mr. Dionne (Northumberland-Miramichi): What is being put forward here today is not reform, it is a posture, and it is an excellent example of the waste of the time of the House to which I have been referring.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I would like to say just a few words about Bill C-257. First, I want to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) for presenting this bill.

No, I do not congratulate him directly because of the bill, but I am glad that he has given us the opportunity in the House to say something about the business of the House because we often hear things about attendance in the House which are not justified. The mover of the bill uses a comparison to ask for a quorum of 50. He compares the present situation with a past period, when there was an Upper and a Lower Canada. To be logical in his comparison, he should also compare the number of committees now and at that time. There may be twice as many members now, but there are now three times as many commitees. Indeed, 26 committees sit at the same time as the House. I heard someone say: We shall force representatives of all parties to take part in the quorum in the House. I was wondering how a party like ours could meet this requirement when seven, eight or nine committees sit on the same day. Madam Speaker, this comparison is impossible to make. It is simply illogical.

Regulations concerning the business of the House have now changed, and if we require the same quorum as in the past, it is because a greater number of members must work outside the House. I am glad to have this opportunity to reply to the people, since this will be read by the public. If we truly want to require a quorum when the House is fully capable of sitting, the quorum should also be required between two and three o'clock during the question period. I believe that this is the quorum that we could require, increase, double or triple. Apart from that, apart from the question period, as was said earlier, hon. members leave and the House becomes empty. How many times will we hear this? What the people do not know is that the House becomes empty because two thirds of the members have to sit on their committee and work there the rest of the afternoon and often in the evening. If we want to come back to quorum of 50, we shall have to disband committees, to stop working in committee and do all the work in the House. Then it would be logical. But if we continue working in committee, I believe that it is illogical to require a quorum in the House. I do not have the time to speak about our work in general, others have done so in my place, but I still wish to congratulate the hon. member for giving another opportunity to the population to obtain some information. Those who read *Hansard* will learn something about the business of the House.

[*English*]

Mr. Lloyd Francis (Ottawa West): Madam Speaker, there are only a couple of minutes left, but I should like nevertheless to make some observations.

It is significant that the proposer of this bill should come from the one party which, from my nine years' experience in the House, has drawn attention to the lack of a quorum. A little game is played frequently. The hon. member for Timiskaming (Mr. Peters) is particularly expert at it. He looks around the House. If he thinks there are not enough people here he persuades his colleagues to go behind the curtain. He alone of that party is in the House, and there is a quorum called. It is a nice little game. The last time it was played was in 1974 when the question of the salaries of members was raised.

The hon. member who raises this point today talks in a bland way about the need to improve parliament although he knows himself that if this bill were accepted, with its one change, it would be totally unworkable and would make this place look ridiculous. He knows himself, by his own admission, that a number of other changes would have to go with it. He suggested, for example, not adjourning the House when a quorum fails. Why? I suggest something else should go with it. When a quorum fails Mr. Speaker should look at any party which has fewer than ten of its members in the House and not recognize any of them for the next week in question period. Maybe that would have an interesting effect.

What should we do with regard to opposition days, Madam Speaker? I suggest to my colleagues that there is no reason why they should make up the quorum when the opposition makes thundering charges against the government, and a few moments later there is nobody from the NDP party sitting in the House while it is considering their opposition motion. I think the rest of us should not be faced with the obligation of the quorum at all. If those who want to present a charge against the government are not sufficiently interested to make up the quorum themselves I see no reason why we on this side should make it for them.

Some hon. Members: Hear, hear!

Mr. Francis: There are many games we can play, Madam Speaker, if we choose to do it, if we choose to be irresponsible, if we choose to be like the colleague of the hon. member who moved this bill today, the hon. member for Timiskaming (Mr. Peters). This, as we all recognize, does not bring credit on parliament. This one bill, with its single proposal, would be unworkable and would bring discredit on this House. It would have to be part of a package, a

package which I would be prepared to support, but not one single item.

The Acting Speaker (Mrs. Morin): Order. The hour set aside for private members' business has now expired. It being five o'clock, this House stands adjourned until Monday next at 2 p.m.

At 5.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 2, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

PROPOSED DELAY IN IMPLEMENTATION OF RAIL PASSENGER POLICY—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the commitment by the former minister of transport to allow the Standing Committee on Transport and Communications the full opportunity of examining transportation policy in Canada as a total concept, and in view of the statement by the present minister of his intention to continue this full investigation, and in view of the desirability of attaining a reasonable and co-ordinated transportation policy to extricate the country from the present mess, I move, seconded by the hon. member for Capilano (Mr. Huntington):

That this House direct the Minister of Transport to withhold implementation of rail passenger policy until the government announces a full and co-ordinate policy for transportation rather than piecemeal announcements respecting individual modes of transportation.

Mr. Speaker: Order, please. Under the provisions of Standing Order 43 this motion requires the unanimous consent of the House before the motion can be put. Is there such unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

SUGGESTION MINISTER ATTEND BONSPIEL IN RED DEER—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Mr. Speaker, I rise under the provisions of Standing Order 43 to introduce a motion concerning a matter of urgent and pressing necessity for the Minister of Agriculture. In view of a January 27 announcement by a Liberal party spokesman that the Minister of Agriculture will officially open the Alberta Liberal Party's annual convention in Red Deer on February 13, and that the minister might attend the farmers' bonspiel in Red Deer just prior to opening the convention, and in view of the fact that the farmers' bonspiel takes place this week and the convention not until next week, proving once more that the Liberals are not only off the rail but out of date, I move, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence):

That this House advise the Minister of Agriculture to attend the bonspiel, a more important gathering, where he would be exposed to a higher degree of intelligence and, hopefully, enlightenment.

Mr. Speaker: Order, please. Pursuant to the provisions of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PRIME MINISTER'S OFFICE

SUGGESTION PRIME MINISTER DISCONTINUE USE OF GOVERNMENT AIRCRAFT FOR PERSONAL PLEASURE—MOTION UNDER S.O. 43

● (1410)

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion arising from information disclosed several days ago in answer to my order paper question numbered 3,610 which provides a further illustration of the government not practising the restraint it preaches to the Canadian people. I would move, seconded by the hon. member for Lethbridge (Mr. Hurlburt):

In view of the recent disclosure that the Prime Minister spent $10,185 of public funds to transport himself, two members of his own family and his sister and two members of her family to the Grey Cup game, the House deplores the continued misuse of government aircraft by the Prime Minister for pleasure or political transportation for himself, his friends and his relatives and demands, in keeping with the Prime Minister's request to the Canadian people to exercise restraint and cut expenditures, that this sponging rip-off practice cease forthwith.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: Order, please. The hon. member for Central Nova.

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FISHERIES

PROPOSED DELAY IN RESTRICTIONS ON LOBSTER FISHING—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43, involving the con-

tinuing unrest and dissatisfaction by the fishermen of Nova Scotia with the methods used in implementing restrictions on lobster fishing. I move, seconded by the hon. member for South Shore (Mr. Crouse):

That the Minister of State (Fisheries) adopt a course of action urged by many knowledgeable people in the industry in Nova Scotia, and suggested as well by the Nova Scotia Minister of Fisheries, and delay or defer any restrictions on lobster fishing until more input is received from the fishermen themselves, monies are made available for legal counsel for those in the industry who feel wrongly classified as part-time fishermen and thirdly, the bureaucrats who conceived this program are made to realize it is not a problem involving lobsters but an industry involving people.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the matter cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM SASKATCHEWAN LEGISLATURE

Mr. Speaker: Before proceeding with the oral question period I know hon. members would want to join with me in welcoming a delegation from the Saskatchewan Parliament headed by their very distinguished speaker, the Hon. John Brockelbank.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

POSSIBLE MEASURES TO AVERT STRIKE OF RAILWAY EMPLOYEES—ROLE OF ANTI-INFLATION BOARD

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, before I put my question may I express the hope that while the Prime Minister might think out loud I hope the government whip does not start thinking out loud.

My question is for the Minister of Labour and is in connection with the expected breakdown of negotiations for a new collective agreement between the railways and significant railway unions. Can the Minister of Labour indicate to the House whether he proposes to take any measure to head off a possible railway strike?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. Of course, the Leader of the Opposition will be aware that under the Act I am required within 15 days of receiving notice of a breakdown from the union, which I officially received last Thursday, to appoint a commissioner to inject himself in an endeavour to mediate a settlement. I am considering that course of action today, tomorrow and the next few days.

[Mr. MacKay.]

Mr. Stanfield: Mr. Speaker, what would be the parameters within which such a mediator would work with regard to the increase in wages. Have the parameters been determined by the Anti-Inflation Board or will such a commissioner work in the dark as to what would be acceptable to the Anti-Inflation Board?

Mr. Munro (Hamilton East): Mr. Speaker, I should make it quite clear that I am talking here about a single man commissioner as opposed to another possibility that of the appointment of a board of conciliation. But generally speaking, I would suppose that if any mediator were successful in bringing the parties together and in arriving at a collective agreement, which I would hope be the case here, that collective agreement might be subject to interpretation by the Anti-Inflation Board just like all other collective agreements which fall under the policy.

Mr. Stanfield: Mr. Speaker, does it seem sensible to the minister that he would ask for the commissioner or mediator to take on a task without precise terms of reference, without the mediator knowing what the terms of reference really are and possibly bringing the parties together on a basis that is quite unacceptable to the Anti-Inflation Board? Would it not seem to the minister to make far more sense to get the Anti-Inflation Board to lay down the parameters in advance rather than take the company through a fruitless and possibly quite disastrous exercise?

Mr. Munro (Hamilton East): Mr. Speaker, I think it is quite clear that the proper procedure under the legislation and the regulations backing up that legislation is that either one of the parties or both parties can approach, if they wish, the Anti-Inflation Board for advice on a proposed or mutual agreement, and it is possible that one of the parties might do that following which they would arrive at some type of agreement.

POSSIBLE STRIKE OF RAILWAY EMPLOYEES—SUGGESTION MINISTER ASCERTAIN WAGE INCREASE PERMITTED BY ANTI-INFLATION BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Labour. Since the minister has the responsibility of trying to head off any breakdown in rail services in the country, and since the present negotiations are now very substantially circumscribed by the guidelines under which we have to function in this country, may I ask the Minister of Labour whether, in the interest of trying to prevent a breakdown in the rail service in this country, it would not be in the public interest for the minister to meet with the chairman of the Anti-Inflation Board prior to the appointment of a commissioner to find out just exactly what maximum settlement would be permitted under the present guidelines since the current offer of 9.2 per cent, which is within the guidelines, is not acceptable to the unions?

Hon. John C. Munro (Minister of Labour): I think the hon. member might agree that there are different ways for a government or a minister to express themselves in a dispute in terms of what procedure to follow. I do not think that at this stage it would be the appropriate thing to do.

ENERGY

REQUEST FOR LIST OF SITES IN WHICH NUCLEAR WASTE DEPOSITED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Last week I asked the Minister of the Environment if he would provide the House with a list of sites, other than Port Hope, where nuclear waste is deposited and also if his department had undertaken investigations of the problems that might have occurred there following what has transpired in Port Hope. The minister, in a letter written to me in reply, said that his department had not done that but that the "lead responsibility" belonged to the Minister of Energy, Mines and Resources. So I should like to ask that minister now if his department has investigated the other sites where there are such waste deposits and if he is prepared to table in the House a list of such sites.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I do not recall the precise wording of the question. Of course, the Atomic Energy Control Board is very active in the whole area of monitoring nuclear waste, including the mining processes which start the cycle in Elliot Lake. They have been working very closely with the Ontario ministry of health. I will be pleased to answer any particular questions on that subject if the hon. member has any.

Mr. Broadbent: The specific question I am putting to the minister is whether he would provide the House with a list of the sites where deposits, such as those in Port Hope, exist and, secondly, could he tell us whether, following what has transpired at Port Hope, these other sites have been investigated? To add a specific question I should like to ask the minister if the situation at Port Granby has been investigated recently following the incidents some months ago of several cows having died as a result of coming in contact with a pond in the area that is alleged to have been contaminated by nuclear waste.

Mr. Gillespie: Mr. Speaker, I understand the precise question. I will be very pleased to provide a list of the sites under investigation or under surveillance by the Atomic Energy Control Board.

RESPONSIBILITY FOR RADIOACTIVE CONTAMINATION OF HOMES IN PORT HOPE

● (1420)

Mr. Edward Broadbent (Oshawa-Whitby): Since it is reported that somewhere between 15 and 70 homes have been affected by radioactive contamination in the Port Hope area, does the federal government or its Crown agency, in this case Eldorado Nuclear, intend to assume financial responsibility for this damage to these homes, and if so, to what extent?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I refer back to my last answer. If the hon. member understood that to mean that I would give him a precise list of all the homes so affected, I want to clarify that. I understood his question to mean various areas of the province or of Canada, and in that case I will do that.

As to the question of who will assume the financial responsibility for the clean up, this is not clear at the present moment. However, I have made it very clear that Eldorado Nuclear has been given the green light to proceed with the clean up. The most important thing from my point of view is to accelerate the investigation and to accelerate clean up where there is any radioactivity in Port Hope. We will argue about whose responsibility it is at a later date.

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[*Translation*]

TRANSPORT

BODY RESPONSIBLE FOR HEARINGS ON RAIL PASSENGER POLICY

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the Minister of Transport.

Last week, in his statement dealing with the reform of transports, the minister said to the House that the inquiries would be held in all areas concerned. Can he tell us whether those inquiries will be conducted under the aegis of his department, which is answerable to Parliament, or by the Canadian Transport Commission only?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the intention is that the Canadian Transport Commission would hold hearings throughout the country.

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ENERGY

ALLEGATION TRANSCANADA PIPELINE UNSAFE—GOVERNMENT POSITION

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of allegations that portions of the TransCanada pipeline are unsafe, is the minister in a position to reassure the Canadian public with respect to the safety of the line?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have been in touch with the National Energy Board. The Board tells me that it has investigated all the evidence which has been placed before it. Mr. Arnesen, who made some allegations I believe last night, has been repeatedly requested to submit any evidence he has to show that the welds are not safe. So far as the National Energy Board knows, it has not received that radiographic evidence.

Mr. Balfour: Is the minister therefore prepared to give a reassurance through this House of Commons to the public of Canada that the line is in fact safe?

Second, is the minister prepared to order a formal inquiry by the National Energy Board into the allegations of unsafe wells in order that this reassurance may become meaningful?

Mr. Gillespie: The board has every reason to believe that the line is safe. Therefore it sees no reason for a public inquiry at this time.

Oral Questions

TRADE

REQUEST FOR STATEMENT ON MEASURES TO OVERCOME TRADE DEFICIT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As the minister knows very well, Statistics Canada reported on Friday that this country suffered a merchandise trade deficit of nearly $800 million during last year, the first such trade deficit in the past 15 years. Would the minister take the first opportunity on motions to outline to the House what basic plans he has for overcoming this very serious situation, and will he bear in mind that the solution requires a far more basic plan than simply leading a trade delegation to a group of exotic countries, which is the only plan his predecessor ever offered, and which simply did not pay off?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I would be glad to do that, either on motions or in some other appropriate form. The hon. member neglected to say that the forecast for this year is that that figure will rise and will be at least modestly above the line in terms of a surplus. However, certainly I will be glad to discuss with the hon. member, and all others who are interested, what our strategies are, and I think they will be impressed.

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NATIONAL DEFENCE

PROPOSAL TO LEASE LEOPARD TANKS—GOVERNMENT POSITION—ALLEGED OVERPRICING OF TANKS BY SENIOR OFFICIALS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. In view of the forthcoming trials between the German Leopard II tanks and the American XM-1, the outcome of which could determine the standard main battle tank for NATO for the next 20 years, will the minister and the government now consider the opposition suggestion that Canada consider leasing Leopard I's until the winner of the U.S.-German competition is determined?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, that is one of the alternatives that we have considered, but we are at this time considering the two main options which are to refit the Centurians or to purchase the Leopard I.

Mr. McKinnon: Mr. Speaker, the minister, the deputy minister and the chief of the defence staff have priced the Leopard I at anywhere between $1.4 million and $1.8 million. The Economist says the competition winner will be in the "just over $500,000" class. Does the minister think it wise to have these senior officials wandering about the international arms market with their pockets stuffed with Canadian dollars looking for tanks and apparently ready to pay up to 200 per cent over the going price?

Mr. Richardson: Mr. Speaker, I think we will negotiate the price, as I indicated, between the two options—the cost of refit compared to the cost of purchase. That is partly why we are taking that position, so that we will get the best possible buy.

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EXTERNAL AFFAIRS

ALLEGED USE OF GANDER BY CUBAN AIRCRAFT CONTAINING MILITARY PERSONNEL—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, may I put a question to the Secretary of State for External Affairs? Can he assure the House that the Cuban aircraft which stopped over at Gander for refuelling recently were not en route to eastern Europe to collect arms and munitions for delivery to Cuban troops now taking part in the fighting in Angola?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have no evidence to suggest that they were en route to eastern Europe.

Mr. Munro (Esquimalt-Saanich): A supplementary question. Is the minister saying that he is not interested in the reasons for or concern about the unusual stopovers by Cuban aircraft at Gander?

Mr. MacEachen: No, Mr. Speaker. The question is not supported by the facts.

Mr. Munro (Esquimalt-Saanich): A final supplementary, Mr. Speaker. In view of the role that Cuba admits playing in Angola, I wonder if the minister could assure us that Canada has taken steps to refuse further refuelling stops for Cuban aircraft at Gander at least until Cuba repatriates its troops from Angola? After all, Guyana and Barbados refused permission for stops; why not Canada?

Mr. MacEachen: Mr. Speaker, the information I have is that there were two unscheduled flights at Gander.

Mr. Munro (Esquimalt-Saanich): They must have been heavy.

Mr. MacEachen: I have no evidence as to the contents of those civilian aircraft but upon hearing about these occurrences, especially, as in one case the destination was Guinea Bissau and in the other case the designated point was Brazzaville—

Mr. Munro (Esquimalt-Saanich): The long way round.

Mr. MacEachen: —we advised the Cubans we expected them to observe the requirements under international civil regulations. I am satisfied that these will be observed.

REQUEST FOR STATEMENT ON RESULTS OF SUPPLIERS' CONFERENCE ON NUCLEAR SAFEGUARDS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Secretary of State for External Affairs concerning nuclear inspection safeguards. In view of the statement made in West Germany at the weekend that there was an exchange of notes between Canada, the United States, the Soviet Union, Japan, Great Britain, France and West Germany on the suppliers' con-

ference held recently in London, England, I wonder if the minister would undertake to make a statement at the earliest opportunity and make an opportunity for discussion in this House respecting the safeguards and the new inspection protocol and methods?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I noticed the press report, too. It is true that the suppliers have been meeting in an effort to upgrade the nuclear safeguards—in other words to remove the safeguards as an element of competition in this field. At the present time there is no agreement among the suppliers about revealing publicly the progress that has been made at the meeting. Just as soon as that obstacle has been cleared, and if it is, I shall be glad to report to the House on what has transpired.

Mr. Lawrence: Mr. Speaker, surely that would not prevent the minister indicating that there was an exchange of notes and what was contained in them.

* * *

NATIONAL DEFENCE

RADIATION LEVELS IN PORT HOPE AREA—REQUEST FOR INFORMATION IN VIEW OF STUDIES IN 1951 AND 1953

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, may I put my supplementary question to the Minister of National Defence? Last week the minister undertook to release certain information respecting radiation levels in the Port Hope area. To date, I have not received anything from him and I have not seen anything made public. Why do we have to bring it up in the House again?

● (1430)

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have an unclassified report about the surveys undertaken by the armed forces back in 1951 and 1953 at Port Hope and would be glad to table that report.

Mr. Speaker: Order, please. Does the House agree?

Some hon. Members: Agreed.

* * *

NATIONAL CAPITAL

CHANGING NAME OF OTTAWA—GOVERNMENT INTENTIONS WITH REGARD TO NON-STATUTORY PROCEDURE

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, on Friday the right hon. member for Prince Albert asked me a question concerning a letter sent by the Clerk of the Privy Council to the deputy minister of justice with regard to the seat of government. I have now had an opportunity to look into this matter and wish to inform the House that the Clerk of the Privy Council did indeed write to the deputy minister of justice in the course of preparations for the reference to a joint parliamentary committee of matters relating to the national capital. The purpose of this letter was to determine the full implications of a recommendation made to the government by Mr. Douglas Fullerton in his report on a special study on the national capital.

Hon. members will recall that the first recommendation contained in this report, which was made public on November 1, 1974, was that the federal government—and I quote:

> Accept the National Capital Region as its 'seat of government' and as its capital.

The government had not decided at that time, did not decide later and has not decided now to accept this recommendation. It awaits the report of the joint parliamentary committee to which this House and the Senate referred the Fullerton report.

In these circumstances, Mr. Speaker, you will understand that it is difficult to believe that we had any hidden design to circumvent parliament or, indeed, the Canadian public. Parliament is being consulted and will continue to be consulted. May I just—

Some hon. Members: Oh, oh!

An hon. Member: Let him answer the question.

Mr. Hees: You should do it on motions, Mitch.

Mr. Speaker: Order, please. We are facing, in this exercise, the balance of the difficulty referred to many times by members of the House concerning a minister who has given an undertaking. The Chair has reacted by refusing supplementaries with respect to undertakings given by ministers who said they would investigate matters and come back with an answer at a later date. The complaint has often been that the minister has not come back at a later date. Frankly, we faced this difficulty originally when we did not introduce into the new process procedures to that effect. This is taking place now. Desirable though that may be, there are two shortcomings in this process.

First, I would not want the minister to be given the privilege of going on too long. Second, of course, someone ought to be permitted to ask supplementary questions on the matter; indeed, the original questioner is not now present in the House. I do not know whether someone would want to take on that responsibility for him, or whether the information ought simply to be on record, awaiting the presence in the House of the right hon. gentleman who put the question originally, with the understanding that there would be supplementaries at that time.

Mr. Stanfield: Mr. Speaker, I do not object to the minister giving a succinct response, but he has gone away beyond that. I rise again, not to suggest how Mr. Speaker should conduct the House, but to say that I hope this procedure will not constitute a precedent and that anybody who does this in future will be succinct, factual and not spend a long time answering.

Oral Questions

ANTI-INFLATION BOARD

REQUEST FOR OPPORTUNITY TO MAKE SUBMISSIONS TO ADMINISTRATOR BEFORE DECISION ON IRVING PAPER CASE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in the absence of the Minister of Finance may I direct my question to the Acting Prime Minister? As representatives of the Administrator under the Anti-Inflation Act will be visiting Irving Pulp and Paper Ltd. in Saint John to obtain evidence on which the administrator shall arbitrarily hand down a decision on the Irving settlement with the Canadian Paperworkers Union, and as the conduct of this inquiry shall set a precedent for future appeals, what assurance can the minister give this House that both the union and the company will be given the opportunity to present submissions to the administrator or to his representatives before a final decision in taken?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not know what I can say by way of assurance other than that the administrator must, I would think, examine all the evidence and he would be only too anxious to get the facts before making a decision.

Mr. Symes: A supplementary question, Mr. Speaker. As the administrator is to act in a quasi judicial way, I would think the government would set out precise guidelines. Will the minister further assure the House that the evidence gathered by the administrator or his representatives during the conduct of an appeal will be made available to all involved parties and to the public, to ensure that the administrator's decision is the product of a fair and complete judicial appeals procedure?

Mr. Sharp: I have heard the suggestions of the hon. member. I am sure they will be looked at carefully by the administrator, who will be anxious, in discharging his duties, to discharge them in such a way as to retain full public confidence.

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GOVERNMENT ADMINISTRATION

RECOMMENDATIONS OF CANADIAN CHAMBER OF COMMERCE ON GOVERNMENT SPENDING—GOVERNMENT ACTION

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the President of the Treasury Board. In his temporary absence may I direct it to the Acting Prime Minister? It is in regard to the Canadian Chamber of Commerce report on government spending and inflation, of January 19, 1976. Can the Acting Prime Minister tell the House if the government is planning to take specific action on any proposals mentioned in the chamber's brief?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, obviously we study all suggestions very seriously. Still, some of those contained in that brief were, to my mind, very odd; even the Chamber of Commerce did not want to recognize them as its own policy. I trust that, in the future, when it makes suggestions, it will assume full responsibility for them.

[Mr. Stanfield.]

[*English*]

BILINGUALISM

NUMBER OF MAN-HOURS PER YEAR LOST IN LANGUAGE TRAINING

Mr. Peter Elzinga (Pembina): A supplementary question, Mr. Speaker. Can the minister give the House figures on how many man-hours per year are lost in the federal civil service for second language training?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, very little.

* * *

[*English*]

AGRICULTURE

DATE OF ANNOUNCEMENT OF BEEF STABILIZATION PROGRAM

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Agriculture. When the minister is in Red Deer for one week and determining to which group of people he will speak, will he make any major announcements, especially one concerning the beef stabilization program?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member will have to be patient and wait and see.

* * *

INCOME TAX

SUGGESTION PRE-TAX MONEY USED FOR POLITICAL FUND RAISING—REQUEST FOR REPORT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, may I direct a brief question to the Minister of National Revenue? Some time ago I asked the minister whether his staff or other investigative personnel were checking on possible pre-tax money being used for political fund raising. I understood from the minister at that time that he would check and let the House know. Has he any information on whether such practices exist and, if they do, their nature and extent?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, an investigation was undertaken. We found no misuse of funds involving pre-tax moneys such as the hon. member indicated.

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EXTERNAL AFFAIRS

GOVERNMENT ACTION TO PREVENT CUBAN AIRCRAFT CONTAINING MILITARY PERSONNEL FROM USING CANADIAN TERRITORY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Secretary of State for External Affairs. As the Cubans landed two unscheduled flights in Canada, where they were refuelled, while en route with Cuban

troops for the fighting in Angola, will the minister inform the House what steps he has taken to inform Premier Castro of Canadian displeasure over this action and whether any steps have been taken to prevent the recurrence of this procedure, in order to prevent Canada from being directly embroiled in this conflict?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have made it plain to the Cuban authorities that we would reserve the right to inspect in future such unscheduled flights. We have also made it clear that we would not tolerate any such use of Canadian facilities for military purposes if, indeed, that was the case. At present, as I said, I have no evidence either to deny or confirm an allegation along those lines.

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ANTI-INFLATION BOARD

ALLEGATION CHAIRMAN TRAVELLED FIRST CLASS ON FLIGHT TO TORONTO

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the President of the Treasury Board. In light of the minister's statement on December 18 that first class travel for government officials will be eliminated, would the minister inquire about Air Canada's flight 351, from Ottawa to Toronto, of Thursday, January 23, a flight with sufficient room to enable stand-by passengers to be taken on in economy. Would the minister confirm that in first class, splendid isolation the chairman of the Anti-Inflation Review Board sat, with a couple of assistants?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I have no intention of making an inquiry into all Air Canada flights. Instructions were given and I trust civil servants will follow them.

As for the preliminary question on the hours lost by those who are studying French, I doubt that anyone wastes time learning or studying French. The hon. leader of the opposition spent many hours studying French, which to my mind is all to his credit and also furthers the cause of Canadian unity.

● (1440)

[*English*]

Mr. McKenzie: After he has confirmed that information, will the President of the Treasury Board draw the chairman's attention to the speech he made in the House and suggest to the Chairman that Canadians find it difficult to co-operate with the chairman's call for restraint as he wings his way around Canada dropping leaflets, looking at the masses from a first-class window?

Oral Questions

NATIONAL DEFENCE

POSSIBLE CLOSING OF CFS BEAUSÉJOUR—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Minister of National Defence. Even though my question is specific, I believe the minister can answer because it relates to a base in our province. In view of the apprehension currently being voiced by both military and civilian personnel at CFS Beauséjour and the detrimental effect the closing of CFS Beauséjour will have on the local area, will the minister indicate whether a decision on the future of that base has been made and what it is? If not, will the minister be making a statement in the House in the very near future with regard to the future of CFS Beauséjour?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, there has been no decision concerning the radar station at Beauséjour. I do not expect to be making a statement about bases specifically within the next few weeks. However, we will be talking further about the rationalization of our infrastructure. Beauséjour, though, will not be involved at that time.

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ENVIRONMENTAL AFFAIRS

FLOODING IN GLEN FALLS AREA OF SAINT JOHN—GOVERNMENT ACTION

Mr. Mike Landers (Saint John-Lancaster): Mr. Speaker, my question is for the Minister of the Environment whom I would first like to congratulate on his recent appointment.

Some hon. Members: Hear, hear!

Mr. Landers: Is the minister prepared to undertake to sit down with his provincial counterparts in the province of New Brunswick and work out a solution to the perennial flooding problems in the Glen Falls area of Saint John, New Brunswick?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, I know that meetings are now going on between officials in my department and officials of the government of New Brunswick. As soon as these meetings have been completed and I have a report, I will determine whether it is necessary to intervene personally with the responsible minister in New Brunswick.

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FISHERIES

CHANGES IN LOBSTER FISHING LICENCE POLICY—REQUEST FOR CLARIFICATION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Acting Minister of State (Fisheries) or his parliamentary secretary. Will the minister consider convening a special meeting of all Atlantic MP's who are affected by the changes in the lobster fishing

licence policy in order to give us a fuller explanation and answer in detail some of our questions and objections?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, the Minister of State (Fisheries) is not in the House today. I will take the question as notice and pass it on to him.

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GRAIN

FEED GRAIN ASSISTANCE—POSSIBILITY OF CHANGE IN POLICY

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the minister in charge of the Canadian Wheat Board. Does the minister intend to announce shortly in the House that there will be changes in the feed grain assistance plan? If so, what areas will be affected? What areas will lose the plan? Will the amount of assistance to be reduced be significant?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, no decision has been taken about an announcement. Therefore, I do not have anything further to add to the indications given when the feed grain policy was first announced.

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REGIONAL ECONOMIC ASSISTANCE

REQUEST FOR ASSISTANCE WITH SPRUCE BUDWORM CONTROL PROGRAM IN NEW BRUNSWICK

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I wish to direct my question to the Minister of Regional Economic Expansion. In his absence, I will direct this to the Acting Prime Minister or perhaps the Minister of the Environment who is familiar with the problem. When will the government make a decision on DREE assistance for the New Brunswick's government program of control of the budworm infested forests of New Brunswick? I ask this question because of the long lead time required for such a program and the urgency of the situation.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): In response to the hon. member, the minister has recently met with officials of the New Brunswick government, including the premier. With regard to the particular question, it will be necessary for the minister to reply later as to the details of this forest industry program.

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LABOUR CONDITIONS

VIEWS OF MINISTER OF TRANSPORT ON STRIKES IN ESSENTIAL SERVICES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is to the Minister of Transport. In view of reported statements of the minister that he supports elimination of the strike weapon in cases where unions are able to make excessive wage demands on employers and that such measures should not only apply to so-called essential services, will the minister advise whether he was stating government policy in this regard or was he involved in puisne ministerial philosophic musing?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the hon. member has not very accurately stated my views on the subject which are ones that I have held as a general principle for a long time. For a full version, I would refer him to an article in the 1967 publication of the University of Toronto Press.

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EXTERNAL AFFAIRS

CUBA—ALLEGED MISTREATMENT OF CANADIANS DURING PRIME MINISTER'S VISIT

Mr. Tom Cossitt (Leeds): Mr. Speaker, my question is for the Secretary of State for External Affairs. Can the minister give details to the House of the reported invasion of the Canadian Embassy in Havana by some 30 or more Cuban security police and the reported manhandling of certain Canadian personnel, including Mr. Ivan Head, when the Prime Minister and Mr. Castro were conferring therein?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker. I have no information on that. I will check and let the hon. member know.

Mr. Cossitt: If the minister looks into this matter and finds it is a fact, will the government be prepared to object or have the appropriate officials already considered objecting to this obvious breach of Canadian diplomatic rights, even though it has been reported that while it was going on, the Prime Minister was inside the music room cuddling up to Castro?

Some hon. Members: Oh, oh!

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TRADE

RATE OF INTEREST ON LOAN TO SOUTH KOREA TO FINANCE PURCHASE OF NUCLEAR REACTOR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. It arises out of the inability of the Secretary of State for External Affairs to tell the House on Friday the rate of interest the Republic of Korea will pay on the $300 million that the government of Canada is advancing by way of a loan to finance the nuclear power reactor.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, this is an unusual question to put to me. I am not the minister responsible for the Export Development Corporation. However, I am sure that the Leader of the Opposition is aware that the Export Develop-

ment Corporation does not make it a practice to make public its interest rates.

Mr. Stanfield: With all respect, Mr. Speaker, it is not a question of what the officials of the Export Development Corporation may think. I ask the minister or Acting Prime Minister whether the government is refusing to give this House, and through this House the people of Canada, the rate of interest being charged on this $300 million so that the people of Canada can at least form some estimate about the extent to which this sale is being subsidized by the Canadian taxpayer.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am sure the hon. gentleman understands that the Export Development Corporation is trying to assist Canadian businessmen in getting business. His seatmate one removed, who was in this business at one time—when he was the minister, will know that to give this kind of information is to place at a disadvantage certain sections of the Canadian business community. I hope the Leader of the Opposition is not suggesting we should breach that principle.

Mr. Stanfield: Mr. Speaker, I am asking the spokesman for the government about a transaction between the government of Canada and a Crown corporation on one hand and another country on the other. I find it difficult to believe that the government of Canada will withhold this information. Is the Acting Prime Minister prepared to tell the Canadian people the terms upon which this sale was completed and the terms under which the people of Canada are advancing $300 million to sell a nuclear reactor?

Mr. Sharp: Mr. Speaker, I do not think I would quite want to give a flat refusal.

Mr. Stanfield: I hope not.

Mr. Sharp: I hope my hon. friend will understand the implications of the question he is asking. I would point out that the Export Development Corporation has not lost any money. Therefore, it is not subsidizing Canadian business as a whole.

Some hon. Members: Hear, hear!

Mr. Stanfield: This is not Canadian business, it is the government.

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GRAIN

ARRANGEMENTS FOR DELIVERY OF WHEAT IN VIEW OF CERTAIN ELEVATORS BEING FILLED

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I direct my question to the minister in charge of the wheat board. In light of the fact that elevators in Cardston, Brocket and Fort Macleod are filled to capacity with no relief in sight for farmers waiting to deliver winter wheat, will the minister assure the House that we will have this grain delivered to the inland terminal at Lethbridge?

● (1450)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will be glad to look into that.

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NATIONAL REVENUE

ARRANGEMENTS FOR CERTIFICATION OF GASOLINE PURCHASES BY FARMERS—GOVERNMENT POSITION

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a further question for the Minister of National Revenue. In view of the announcement made by an official of the department some time ago that there would be a certification program for industries and for farmers who could purchase 2,000 gallons of gas once every month, I am wondering why provision was not made for the purchases to be in 500 gallon lots rather than 2,000 gallons since it is almost an impossibility for any agricultural producer to buy that much at one time?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, so far as quantum is concerned I suspect it was a judgment decision regarding the number of staff who would be made available. Also, we have to be a little careful here since we are moving into provincial jurisdiction in regard to coloured gasoline and the dyes used. So there were problems all round. We are trying to reach a compromise in order to be as helpful as we can and also to cut down as much as we can on red tape.

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ENVIRONMENTAL AFFAIRS

REASON FOR STUDY TO RELOCATE NORWAY HOUSE

Mr. Cecil Smith (Churchill): Mr. Speaker, I have a question for the Minister of the Environment. I should like to ask the minister about the extensive survey that was conducted over the past two years to relocate the settlement of Norway House. This has been a very secretive operation. Can the minister advise why the settlement of Norway House, which consists of 3,000 people, treaty Indians and non-treaty, has to be moved?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, I do not know whether it is a secret but I am not in a position to answer today. If the hon. member would wait until tomorrow I will give him an answer then.

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ENERGY

SYNCRUDE PROJECT—GOVERNMENT POSITION ON SIGNING AGREEMENT UNTIL ATLANTIC RICHFIELD SURRENDERS LEASES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources with regard to the final signing of an agreement respecting Syncrude, which I understand has been delayed because of the dif-

ficulty in getting Atlantic Richfield to surrender certain leases which it holds. Have those difficulties been resolved and, if so, how; and will an agreement be signed in the near future?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Unfortunately, Mr. Speaker, those difficulties with respect to the leases have not yet been resolved but I am hopeful that they may be resolved this week. Meetings are taking place this week in Calgary. But that is not the only difficulty; there are also some difficulties with respect to the rates of return charged by the public utilities and the pipeline. I hope that they can be sorted out within the spirit of the original salvage operation of approximately one year ago today.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. In view of the fact that Atlantic Richfield withdrew from the consortium, then these leases ought to belong to the consortium. I should like to ask the minister for an assurance that, unless the Alberta government acts to recover those leases and make them available to the new consortium, the minister will not sign the Syncrude lease.

Mr. Gillespie: Mr. Speaker, I can assure the hon. member that the settlement of those leases is absolutely fundamental and crucial to any signing by the government.

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ADMINISTRATION OF JUSTICE

DATE OF APPOINTMENT OF THIRD JUDGE TO NEWFOUNDLAND COURT OF APPEAL

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to address a question to the Minister of Justice. It is now seven months since the amendments to the Judges Act were passed setting up an appeal court for the province of Newfoundland. That appeal court still only has two judges, thereby holding up the whole judicial appeal procedure. There are a number of very important cases outstanding awaiting the appointment of the third appeal judge by the minister. May I ask the minister whether he can give me some indication when he will be making this appointment? I hope he will not tell us "soon".

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I regret that I do have to tell the hon. member "soon". I am in consultation, in accordance with the procedure that has been established, with the Canadian Bar Association in order that we can make an appointment that is in line with previous appointments, namely people of outstanding merit at the bar. I hope that that process will be completed very soon.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

ENERGY

POSSIBILITY OF STUDIES OF ALTERNATIVES—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I will address my question either to the Minister of Energy, Mines and Resources or the minister in charge of science and technology. My question relates to the energy reserves that Canada has in sight. I wonder whether the minister is preparing to give the House a statement on the research and development being carried out regarding various alternative fields of energy such as coal, tidal power, solar and wind?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I hope to be making in the near future a statement with respect to a number of the elements of an energy strategy for Canada. One of those important elements will be research and development with respect to energy conservation, existing and conventional forms, and, of course, the non-renewable fuel kinds referred to by the hon. member.

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. Can the minister specifically say whether there has been any real research conducted into the utilization of coal for conversion into liquid petroleum?

Mr. Gillespie: Research is being undertaken at the present time on projects of this kind. I suppose from my point of view we could be spending a great deal more money than we are. I think we have to recognize though that there are only limited resources available to pursue a number of very important projects all at the same time.

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SUPPLY AND SERVICES

REQUEST FOR COPY OF CONTRACT WITH LOCKHEED FOR LONG-RANGE PATROL AIRCRAFT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Supply and Services. In December the minister promised me that he would give me a copy of the contract when signed with Lockheed for the close to $1 billion worth of LRPA's. I have not yet received a copy of the contract or heard whether it has been signed. Can the minister inform the House whether or not the contract has been signed and, if so, when I can expect to receive a copy?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The contract has not been signed, Mr. Speaker.

Mr. McKinnon: Could the minister inform the House when he expects to sign the contract?

Mr. Goyer: There are some technical problems that we have to settle, Mr. Speaker.

AGRICULTURE

BLUE TONGUE DISEASE—REASON FOR MINISTER'S ASSURANCE CANADA FREE OF THE DISEASE

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, may I direct my question to the Minister of Agriculture. It stems from a question asked on Friday by the hon. member for Medicine Hat regarding the livestock disease of blue tongue. The Minister of Agriculture assured the House that blue tongue was non-existent in Canada. How can the minister assure the House that we are free of blue tongue when we have been shipping cattle back and forth over the border for the last 100 years?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have been making checks of herds and we are continually making checks of herds. The only herds that we found any blue tongue in was some recent cattle imported from the United States and those herds have been destroyed, as the hon. member knows.

Mr. Hurlburt: A supplementary question, Mr. Speaker. The only over-all tests that we have had in Canada were for tuberculosis and brucellosis and the only checks that have been made have been on a few shipments from the United States. Again I ask the minister how he can assure the House that we are free of blue tongue in Canada when we shipped cattle across the border 100 years ago and have been doing so ever since?

Mr. Whelan: Mr. Speaker, all that the hon. member has to do is to examine some of the checks we have done in the Department of Agriculture under the director of the health of animals branch, which will show that we have proved to other nations that we are free of this disease. We are exporting semen, and the hon. member's province probably has the most concentrated form of checks in all of Canada blue tongue.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order respecting the business of the House for this week. Last Thursday, the government House leader said that this week we would be dealing with Bill C-58 and Bill C-81. On Friday, his parliamentary secretary said that today we would be dealing with Bill C-68. I presume the latter still holds, but in view of the indication that other bills would be taken this week, can the government House leader tell us what the order will be? While he is answering that question, would he also indicate to the House whether there will be a statement to the House tomorrow by the Prime Minister concerning his visits to Mexico, Cuba and Venezuela?

Mr. Sharp: Mr. Speaker, in regard to the second of those two questions, I hope to be able to see the Prime Minister shortly after his return and I will ask him whether it is his

intention to make a statement on his very successful trip through Latin-America. As to the first question, it is the government's intention to call those bills this week, but not today. Even if we do get second reading of Bill C-68 we will not call either C-58 or C-81 today, but it is our intention to call them later. It may be, however, that when we do call these bills one of them will take the remainder of this week.

● (1500)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I realize that this is hypothetical, but it is the only way to get the matter cleared. On the assumption that Bill C-68 is not concluded today, what will we be dealing with tomorrow?

Mr. Sharp: Mr. Speaker, I would like to have an opportunity of talking to the Prime Minister about this, since he will be at home tonight. Tentatively, I had intended to call Bill C-58 tomorrow. It would not be our intention to go on with Bill C-68 tomorrow in any event. However, we would call either Bill C-58 or Bill C-81, but I should like to talk to the Prime Minister before finally making that decision.

Mr. Stanfield: Mr. Speaker, as I understood the government House leader, he indicated that if we finish Bill C-68 tonight we would not start with Bill C-58 or Bill C-81. Does this mean that we are going to get another night off?

Mr. Knowles (Winnipeg North Centre): Oh, no.

Mr. Sharp: No, Mr. Speaker. I indicated earlier that if we got through Bill C-68 in the next few days, we would call Bill C-72. That would be my intention tonight if we conclude Bill C-68. I hope we can proceed expeditiously with all this important legislation. Therefore, I would ask the House to co-operate with the House leaders and with all other members in proceeding with the balance of the legislation of the present session.

Mr. Elzinga: Mr. Speaker, I rise on a question of privilege regarding a statement made earlier by the President of the Treasury Board. It seems strange to me that when members legitimately inquire into government spending, members opposite become very touchy. Let me point out that I did not refer to either the French or the English language training programs. My inquiry was in respect of the cost incurred by the taxpayer for language training in the federal civil service because of man-hours lost.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order, and I do so reluctantly as, if my memory serves me correctly, it is the first time I have done so in respect of any matter relating to the question period. My point arises from the observation of the Leader of the Opposition regarding the Acting Prime Minister's undertaking to answer the question of the right hon. member for Prince Albert. The Leader of the Opposition noted that answers should be succinct and factual. I suggest the answer was just as succinct and as factual as the question, and it was far shorter. My point of order is this: is there one set of rules for the right hon. member for Prince Albert and another set of rules particularly for ministers of the Crown?

Some hon. Members: Hear, Hear!

Mr. Stanfield: Mr. Speaker, I would suggest that the hon. member might take that question up with the right hon. member for Prince Albert. If he has some further inquiry—

An hon. Member: He is afraid.

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I take it there is no need for me to go further into this matter in spite of its being raised again. I take it as being accepted by the Chair that such interventions as the one made by the government House leader today should be far shorter in future than the one he made today.

Mr. Speaker: Order, please. I thought I had given a rather general indication to that effect when I intervened. On the other hand, it is a very interesting subject for discussion raised by the Parliamentary Secretary to the Minister of National Defence. I certainly would not want to deprive the House of the opportunity of discussing this matter more fully during the presence of the right hon. member for Prince Albert.

Mr. Broadbent: Mr. Speaker, I rise on a point of order concerning an answer given by the Minister of National Defence to the hon. member for Northumberland-Durham in which the minister agreed to provide some information to be tabled in the House. I should like to ask whether there is unanimous agreement at this point to having that information made an appendix to today's *Hansard*, as there are a great many members of the House interested in the matter.

Mr. Speaker: It has already been agreed that the Minister of National Defence should be allowed to table the document to which he referred in his answer. However, the matter of having it included in *Hansard* was not taken up. Is it now the wish of the House that this be done?

Mr. Knowles (Winnipeg North Centre): That it be printed as an appendix.

Mr. Speaker: Is it agreed that it be made an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's Note: For above mentioned document, see Appendix "A"*]

Mr. Peters: Mr. Speaker, I rise on a point of order regarding the business of the House today, with particular reference to the procedure of taking questions as notice which has become more prevalent in the last few weeks. Our question period was never designed to handle replies to questions asked on another day. I would ask Your Honour to give consideration to referring this matter to the Standing Committee on Procedure and Organization so that consideration could be given to having these answers presented during a later question period with or without the right of further limited questioning on the answer. Some consideration could be given to having such answers provided at another time slot during the question period, perhaps immediately following it.

[Mr. Dionne (Northumberland-Miramichi).]

If questions are to be taken as notice, with replies provided at a later time, this will create a continuing problem during our question periods. I would, therefore, ask Your Honour to give some consideration to the referral of this matter to the appropriate committee so that almost immediate consideration can be given in order to eliminate the difficulty which is obviously going to become a continuous one.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on the same point of order. In the matter raised by the hon. member who just spoke there is a question worthy of consideration by the committee. There is another problem which arises during the question period. Many ministers quite honestly say in answer to questions that they do not have the specific information but will inform the hon. member. This reply usually takes the form of a letter from the minister's office to the hon. member. The questions are asked as public matters on the floor of the House and then become private matters between the ministry and the hon. member, with little opportunity for the answer to become public. I would think that in addition to the matter raised by the hon. member for Timiskaming this question might also be referred to the committee.

If some way were found of making these answers public, I think this would make the question period much more meaningful and, though I hesitate to say it, it might be a way of perhaps having ministers a little better informed in terms of answering questions which are asked about urgent public matters.

Mr. Sharp: Mr. Speaker, I rise on the same point of order. I can understand the concern of the Leader of the Opposition today when he suggests I should give the information I had promised in reply to a question by the right hon. member for Prince Albert when that hon. member is present. I might add another element of the problem which faces us for Your Honour's consideration. I was urged by the media to appear on all sorts of programs to give the reply I had promised the right hon. member for Prince Albert. I resisted that temptation because I thought it was only appropriate that I should give the answer here in the House of Commons. When I tried to give the answer there was objection because the right hon. member for Prince Albert was not present. So there is a real problem. I hope it is one to which we can address our minds.

● (1510)

Mr. Speaker: Order, please. The President of the Privy Council has made a most reasonable contribution in respect of any intervention by the Chair, because I really do not think it is for the Chair to refer proposals of a specific nature to the committee but it is, rather, for the House to do so. I know the committee is sitting actively and has undertaken to examine a number of procedures and in fact has had procedures under discussion by way of subcommittees. Certainly, this question about the problem of ministers who for one reason or another, in most cases—as was pointed out by the hon. member for Grenville-Carleton—with all proper motivation have indicated that it is necessary to bring in information at a later date, has raised a number of problems, not the least of which was the one raised by the hon. member for Cape Breton-The

Sydneys on Friday last relating to the Chair's attitude toward supplementaries when that kind of answer is given.

It has always been the practice of the Chair to defer supplementaries until in fact the minister does come into the House. However, today's example showed us that we are really ill-equipped to receive such subsequent provision of information by the minister, and it would certainly be hoped that the procedure committee could examine at an early date whether there is an acceptable method for accommodating that kind of process which is certainly in the interest of exchange of information in the House.

THOUSAND ISLANDS BRIDGE VESTING ACT

MEASURE TO VEST BRIDGE

Hon. Allan J. MacEachen (Secretary of State for External Affairs) moved for leave to introduce Bill C-82, respecting the Thousand Islands Bridge.

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

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,675 (supplementary), 3,696, 3,743, 3,754, 3,822, 3,870, 3,884, 3,885, 3,886 and 3,887.

[*Text*]

CANADIAN OLYMPIC COINS—PAYROLL DEDUCTION

Question No. 3,675—**Mr. Cossitt:** (Supplementary)

1. (a) How many copies of a form entitled: "Canadian Olympic Coins—Payroll Deduction" along with a six page message signed by the President of the Treasury Board were distributed to government employees or any persons connected with the government (b) what was the exact cost of distributing all such forms?

2. Were the forms distributed to all members of the Canadian Forces and, if so, what was the total number and cost involved?

3. Of all those receiving such an offer, what is the total number of those who elected to purchase the coins by payroll deduction?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. (a) 410,000 forms distributed. (b) $25,000.

2. Yes, 10,000 forms. Cost is included in the $25,000.

3. As of December 9 an estimate of 4,000 forms had been received to purchase coins.

NOTE: There was no cost to the government for the brochure in question. The cost incurred was a normal marketing expense recovered before a determination of gross contribution of the Program of COJO.

GOLDFARB CONSULTANTS

Question No. 3,696—**Mr. Howie:**

From January 1, 1974 to December 1, 1975, what contracts were entered into with Goldfarb Consultants Limited by (a) the Department of Transport (b) the Department of Regional Economic Expansion (c) the Department of National Defence (d) the Department of Public Works (e) the Department of Supply and Services (f) the Department of Manpower and Immigration (g) Air Canada and, in each case, what was (i) the purpose of the contract (ii) the amount of the contract?

Hon. Mitchell Sharp (President of the Privy Council): (a) None. (b) (i) (a) To undertake a survey of awareness and attitudes towards the activities in the Atlantic Provinces of the federal government, and particularly the Department of Regional Economic Expansion. (b) To conduct a cross-Canada survey, by region of awareness and attitudes towards the federal government and, in particular, the Department of Regional Economic Expansion. (iii) (a) $22,000; (b) $24,000. (c) None. (d) None. (e) None. (f) (i) To provide data for a study of Canadian attitudes towards work. (ii) $74,500.

RETENTION OF LAWYERS BY DEPARTMENT OF JUSTICE IN CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,743—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of Justice during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Ron Basford (Minister of Justice): In so far as the agents of the Minister of Justice are concerned: 1 and 2.

Lawyers and Law Firms	Departments	1973	Departments	1974
Gilchrist, R.W.	M&I	400.57	M&I	224.40
Penticton, B.C.	RC-T	36.00		
	MOT	*		
Lander & Finklestein	M&I	148.46		
Kelowna, B.C.	NH&W	2,995.04	NHW	1,708.37
	RC-T	1,087.45	RC-T	295.00
Larson, C. H.	NH&W	291.00	NHW	6,285.60
Kelowna, B.C.				
Salloum, L. T.	UIC	295.00	UIC	397.50
Kelowna, B.C.	RC-T	3,406.94	RC-T	1,711.00
	NH&W	1,682.70		
Smith, M. F.	NH&W	25,194.12	NH&W	25,397.22
Kelowna, B.C.			EC	170.00
			RC-T	356.00
			RC-CE	260.00
			MOT	*

* Work was assigned during the period in question but accounts have not yet been submitted.

Order Paper Questions

* Work was assigned during the period in question but accounts have not yet been submitted.

RETENTION OF LAWYERS BY CMHC IN CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,754—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for Central Mortgage and Housing Corporation during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation: 1 and 2. The following lawyers were retained in 1973 and 1974, to process mortgage documentation for loans approved in the south central portion of British Columbia. 1973: L. T. Finkelstein, Kelowna; F. A. Lloyd, Penticton; Moran, D'Andrea and Geronazzo, Grand Forks; L. T. Salloum, Kelowna. 1974: L. T. Finkelstein, Kelowna; F. A. Lloyd, Penticton; L. T. Salloum, Kelowna. Legal fees in connection with CMHC direct loans are paid by the borrower, and CMHC therefore, has no record of the amounts paid to these lawyers. The following lawyers were retained in 1973 and 1974 to handle legal actions arising from defaults by the borrower on loans approved in the south central portion of British Columbia:

1973		Costs and Fees
		$
Dahlstrom and Co.	Trail	2248.00
Fillmore and Co.	Kelowna	979.05
Finkelstein and Co.	Kelowna	367.07
F.A. Lloyd	Penticton	
Salloum, Doak and Co.	Kelowna	
D.T. Wetmore and Co.	Trail	
1974		
F.A. Lloyd	Penticton	
Guild, Yule, Schmitt, Lane and Murray	Vancouver	858.80
Salloum, Doak and Co.	Kelowna	
D.T. Wetmore and Co.	Trail	

Where actions are settled prior to trail, the costs are paid by the borrower, and are therefore, not known to CMHC. Where actions proceed to trial the fees for legal work paid by CMHC are shown above.

NOTE: Statistics on activities under the National Housing Act, compiled by CMHC, are not based on Federal electoral constituencies, but on municipalities and Census Divisions in Western Canada. The area covered by this question is composed of Census Divisions 7 and 22, and Census Sub-Division 17B.

[Mr. Basford.]

CBC—COVERAGE OF POLITICAL NEWS

Question No. 3,822—**Mr. Cossitt:**

Are steps being taken to bring about and maintain fair and balanced coverage of political news by CBC in the interest of fairness to all democratic political parties in the country and (a) if so, what are such steps (b) if not, for what reason?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: Working within established corporation policies and guidelines, CBC staff make every effort to ensure fair and balanced coverage of political news in all CBC information programs.

TELESAT CANADA

Question No. 3,870—**Mr. Symes:**

1. What is the total amount paid out by the government to Telesat Canada?

2. What amount of money has the government received from Telesat Canada including loan repayment, equity shares, etc.?

3. What is the total number of channels existing in the Telesat satellites?

4. What are the names of the corporations using Anik Satellites and how many channels does each company lease?

5. What is the lease length for corporations and what is the going rate per channel?

6. What is the total amount of money spent by the CBC on the use of Telesat facilities?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Cummunications and the Secretary of State as follows: 1. As at December 31, 1975, $65,350,000. This amount is made up of $35,350,000 in loans, and $30,000,000 in payment for common shares in the company purchased by the Federal Government.

2. As at December 31, 1975, $23,150,000. This amount is made up of $22,850,000 in repayment of loans and $300,000 in dividends on Telesat common shares owned by the Federal Government.

3. There are a total of 36 RF channels available in the three satellites Telesat Canada currently has in orbit. Of these, 30 are available for commercial lease and six are reserved as back-up replacements in the event of commercial channel failure.

4. The organizations currently leasing Telesat facilities are as follows: (a) Canadian Broadcasting Corporation, three full-time channels and one occasional-use channel. (b) Bell Canada, two full-time channels. (c) Trans-Canada Telephone system and CNCP Telecommunications, two full-time channels. (d) Teleglobe Canada, one full-time channel. (e) RCA Global Communications, one full-time channel. On a retainer basis, Telesat Canada also provides a number of back-up protection channels for RCA Global Communications' US domestic satellite communications system.

5. The terms of Telesat's service agreements with its customers vary. The Service Agreements between Telesat and each of its customers are on file with the Canadian Transport Commission.

6. The total amount spent by the CBC for all Telesat services to December 31, 1975 is approximately $28,500,000.

JOB OPENINGS REPORTED BY EMPLOYERS AND FILLED BY CMCS (ATLANTIC REGION)

Question No. 3,884—Mr. Howie:

1. Since August 1, 1975, how many job openings were reported in the Atlantic Region to the local Manpower Centre by (a) Les Connolly Trailers, Truro, Nova Scotia (b) Tobique Enterprises, Andover, New Brunswick (c) Ahlstrom Canada Limited, Moncton, New Brunswick (d) La Coopérative de Baie-Ste-Anne Limitée, Escuminac, Baie-Ste-Anne, New Brunswick (e) Labrador Iron Works Limited, Stephenville, Newfoundland (f) Targetair Limited, Moncton, New Brunswick (g) Avalon Pre Cast Concrete Limited, Carbonear, Newfoundland (h) Canadian and European Pastry, Halifax, Nova Scotia (i) Notre Dame Bay Fisheries Limited, Comfort Cove, (j) Douglas R. Guy Limited, Hampshire, Prince Edward Island (k) Northeast Pine Products Limited, Campbellton, New Brunswick (l) Ralston Purina of Canada Limited, Truro, Nova Scotia (m) Design Products Limited, Halifax, Nova Scotia (n) Surrette Battery Company Limited, Springhill, Nova Scotia (o) Dundee Cement Products Limited, Dundee, Restigouche, New Brunswick (p) Cyclomet, a division of Coulter Manufacturing, Moncton, New Brunswick (q) Hall and Stavert Limited, Charlottetown, Prince Edward Island (r) Mr. Milton Lewis, Perth-Andover, New Brunswick (company to be incorporated) (s) Poirier Woodworking Limited, Newcastle, New Brunswick (t) N.A. Pottier Building Supplies Limited, Tusket, Nova Scotia (u) Diagnostic Chemicals Limited, Charlottetown, Prince Edward Island (v) Acadian Printing, Amherst, Nova Scotia?

2. In each case, how many of the positions reported were actually filled by persons referred to the firm by the local Manpower Centre?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1 and 2.

	Company Name	Reported Job Openings	CMC Placements
(a)	Les Connolly Trailers, Truro, N.S.	2	2
(b)	Tobique Enterprises, Andover, N.B.	0	0
(c)	Ahlstrom Canada Limited, Moncton, N.B.	95	89
(d)	La Coopérative de Baie-Ste-Anne Limitée, Escuminac, Baie-Ste-Anne, N.B.	1	1
(e)	Labrador Iron Works Limited, Stephenville, Nfld.	2	2
(f)	Targetair Limited, Moncton, N.B.	0	0
(g)	Avalon Pre Cast Concrete Limited, Carbonear, Nfld.	0	0
(h)	Canadian and European Pastry, Halifax, N.S.	0	0
(i)	Notre Dame Bay Fisheries Limited, Comfort Cove, Notre Dame Bay, Nfld.	0	0
(j)	Douglas R. Guy Limited, Hampshire, P.E.I.	2	0
(k)	Northeast Pine Products Limited, Campbellton, N.B.	8	0
(l)	Ralston Purina of Canada Limited, Truro, N.S.	2	1
(m)	Design Products Limited, Halifax, N.S.	0	0
(n)	Surrette Battery Company Limited, Springhill, N.S.	22	22
(o)	Dundee Cement Products Limited, Dundee, Restigouche, N.B.	0	0
(p)	Cyclomet, a division of Coulter Manufacturing, Moncton, N.B.	0	0
(q)	Hall and Stavert Limited, Charlottetown, P.E.I.	0	0
(r)	Mr. Milton Lewis, Perth-Andover, N.B. (company to be incorporated)	0	0
(s)	Poirier Woodworking Limited, Newcastle, N.B.	0	0
(t)	N.A. Pottier Building Supplies Limited, Tusket, N.S.	3	3
(u)	Diagnostic Chemicals Limited, Charlottetown, P.E.I.	0	0
(v)	Acadian Printing, Amherst, N.S.	1	0

JOB OPENINGS REPORTED BY EMPLOYERS AND FILLED BY CMCS (QUEBEC REGION)

Question No. 3,885—Mr. Howie:

1. Since August 1, 1975, how many job openings were reported in the Quebec Region to the local Manpower Centre by (a) Uniformes Chantal Inc., Beauceville, Beauce, Quebec (b) Construction Gosobec Inc., Rivière-du-Loup, Quebec (c) Charpentes Dosquet Inc., Dosquet, Lotbinière, Quebec (d) Conduits Condel Ltée, Bromont, Quebec (e) Duchesne & Fils Ltée, Yamachiche, St. Maurice, Quebec (f) Les Industries Alarie de Malartic Ltée, Malartic, Quebec (g) Bes-Tar Ltée, Lac Mégantic, Quebec (h) Lamtech Inc., St-Hyacinthe, Quebec (i) Labbé & Fils Inc., St-Georges Ouest, Beauce, Quebec (j) Ébéniste d'Avant-Garde St-Romuald Ltée, St-Romuald, Quebec (k) Huppé & Frères Ltée, Victoriaville, Quebec (l) Jean Dancause (cooperative to be incorporated), Île-aux-Gruex, Quebec (m) Les Industries Decorbec Ltée, St-Hyacinthe, Quebec (n) Les Équipements Laport Inc., Granby, Quebec (o) Modern Plastic Company Limited, St. Hyacinthe, Quebec (p) Vic Store Fixtures Inc., Victoriaville, Quebec (q) La Parmenthière de Warwick Inc., Warwick, Arthabaska, Quebec (r) Carbonneau & Turgeon Inc., St-Romauld, Quebec (s) Volcano Ltée, St-Hyacinthe, Quebec (t) La Scierie Taschereau Inc., Taschereau, Quebec (u) Société Parmarco Inc., Granby, Quebec (v) Les Structures Alco Ltée et Béton Préconçu Ltée, Alma, Quebec (w) Produits Vicarthe Inc., Arthabaska, Quebec (x) Coopérative Agricule du bas Saint-Laurent, Rivière-Trois-Pistoles, Quebec (y) The Dominion Comb and Novelty Company, Warwick, Quebec (z) Imprimerie Canada Inc., Sillery, Quebec (aa) Les Ateliers Bisaillon Inc., Omerville, Quebec (bb) Bois de sciage Henri Généreux Ltée, Laverlochere, Quebec (cc) F.P.F. (Canada) Ltd., Trois Rivières, Quebec (dd) L.H. Plante and Fils Inc., St. Ignace de Loyola, Quebec (ee) Imprimerie Dominion Printing Inc., St-Hyacinthe, Quebec (ff) Giles Gagnon (new printing facility), Waterloo, Quebec (gg) Société Kent Inc., Quebec City, Quebec (hh) Destel Inc., Grantham-Ouest, Drummondville, Quebec (ii) Meunerie Labonté Ltée, St. Bonaventure, Yamaska, Quebec (jj) Jos. Gringas & Fils (1974) Ltée, St. Damase, St-Hyacinthe, Quebec (kk) Les Entreprises B.C.G.L. Inc., St. Alfred, Beauce, Quebec (ll) Dent Lumber Ltd., Grand Remous, Gatineau, Quebec (mm) M. Gilles Côté (company to be incorporated), St. Bruno, Lac-Saint-Jean, Quebec (nn) Dubeau & Lapointe Limitée, Drummondville, Quebec (oo) St. Lawrence Plywood Boxes (1974) Ltd., St. Louis de France, Champlain, Quebec (pp) Distribution Italie Inc., Matane, Quebec (qq) Salaison Rock Forest Inc., Rock Forest, Quebec (rr) Industries Espadon Inc., Princeville, Quebec (ss) Abattoir Archille Trahan Inc., Yamachiche, Quebec (tt) Didier Refractories Corporation, Bécancour, Quebec?

2. In each case, how many of the positions reported were actually filled by persons referred to the firm by the local Manpower Centre?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1 and 2.

	Company Name	Reported Job Openings	CMC Placements
(a)	Uniformes Chantal Inc., Beauceville, Beauce, P.Q.	0	0
(b)	Construction Gosobec Inc., Rivière-du-Loup, P.Q.	1	1
(c)	Charpentes Dosquet Inc., Dosquet, Lotbinière, P.Q.	0	0
(d)	Conduits Condel Ltée., Bromont, P.Q.	2	0
(e)	Duchesne & Fils Ltée., Yamachiche, Saint-Maurice, P.Q.	0	0
(f)	Les Industries Alarie de Malartic Ltée., Malartic, P.Q.	50	9
(g)	Bes-Tar Ltée., Lac Mégantic, P.Q.	0	0
(h)	Lamtech Inc., Saint-Hyacinthe, P.Q.	10	10
(i)	Labbé & Fils Inc., St-Georges Ouest, Beauce, P.Q.	1	1
(j)	Ébéniste d'Avant-Garde St-Romuald Ltée., St-Romuald, P.Q.	14	12
(k)	Huppé & Frères Ltée., Victoriaville, P.Q.	9	9
(l)	Jean Dancause (cooperative to be incorporated), Ile-aux-Grues, P.Q.	0	0
(m)	Les Industries Decorbec Ltée., Saint-Hyacinthe, P.Q.	0	0

Order Paper Questions

	Company Name	Reported Job Openings	CMC Placements
(n)	Les Équipements Laport Inc., Granby, P.Q.	0	0
(o)	Modern Plastic Company Limited, Saint-Hyacinthe, P.Q.	7	7
(p)	Vic Store Fixtures Inc., Victoriaville, P.Q.	12	7
(q)	La Parmenthière de Warwick Inc., Warwick, Arthabaska City, P.Q.	5	3
(r)	Carbonneau & Turgeon Inc., Saint-Romuald, P.Q.	0	0
(s)	Volcano Ltée de Saint-Hyacinthe, P.Q.	8	1
(t)	La Scierie Taschereau Inc., Taschereau, P.Q.	9	3
(u)	Société Parmarco Inc., Granby, P.Q.	1	0
(v)	Les Structures Alco Ltée., Béton Préconçue Ltée., Alma, P.Q.	5	5
(w)	Produits Vicarthe Inc., Arthabaska, P.Q.	9	6
(x)	Coopérative Agricole du Bas Saint-Laurent, Rivière-Trois-Pistoles, P.Q.	0	0
(y)	The Dominion Comb and Novelty Company, Warwick, P.Q.	2	2
(z)	Imprimerie Canada Inc., Sillery, P.Q.	1	0
(aa)	Les Ateliers Bisaillon Inc., Omerville, P.Q.	0	0
(bb)	Bois de sciage Henri Généreux Ltée., Laverlochère, P.Q.	4	0
(cc)	F.P.F. (Canada) Ltd., Trois-Rivières, P.Q.	1	0
(dd)	L. H. Plante and Fils Inc., St. Ignace de Loyola, P.Q.	0	0
(ee)	Imprimerie Dominion Printing Inc., Saint-Hyacinthe, P.Q.	1	0
(ff)	Giles Gagnon (new printing facility at Waterloo) P.Q.	2	1
(gg)	Société Kent Inc., Quebec, P.Q.	2	2
(hh)	Destel Inc., Grantham-Ouest, Drummond City, P.Q.	12	10
(ii)	Meunerie Labonté Ltée, Saint-Bonaventure, Yamaska, P.Q.	0	0
(jj)	Jos. Gingras & Fils (1974) Ltée, Saint-Damase, Saint-Hyacinthe, P.Q.	6	0
(kk)	Les Entreprises B.C.G.L. Inc., Saint-Alfred, Beauce, P.Q.	0	0
(ll)	Dent Lumber Ltd., Grand Remous, Gatineau, P.Q.	12	1
(mm)	M. Gilles Côté (Co. to be incorporated) Saint-Bruno, Lac Saint-Jean, P.Q.	0	0
(nn)	Dubeau & Lapointe Limitée, Drummondville, P.Q.	2	1
(oo)	St. Lawrence Plywood Boxes (1974) Ltd., Saint-Louis de France, Champlain, P.Q.	11	10
(pp)	Distribution Italie Inc., Matane, P.Q.	1	1
(qq)	Salaison Rock Forest Inc., Rock Forest, P.Q.	0	0
(rr)	Industries Espadon Inc., Princeville, P.Q.	12	4
(ss)	Abattoir Archille Trahan Inc., Yamachiche, P.Q.	6	3
(tt)	Didier Refractories Corporation, Bécancour, P.Q.	0	0

JOB OPENINGS REPORTED BY EMPLOYERS AND FILLED BY CMCS (ONTARIO REGION)

Question No. 3,886—Mr. Howie:

1. Since August 1, 1975, how many job openings were reported in the Ontario Region to the local Manpower Centre by (a) Tackle Construction Limited, Sudbury, Ontario (b) The Mikron Group Electronics Limited, Burlington, Ontario (c) Mr. Mario Clara (company to be incorporated), Thunder Bay, Ontario

2. In each case, how many of the positions reported were actually filled by persons referred to the firm by the local Manpower Centre?

[Mr. Andras.]

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1 and 2.

	Company Name	Reported Job Openings	CMC Placements
(a)	Tackle Construction Ltd., Sudbury, Ont.	1	1
(b)	The Mikron Group Electronics Ltd., Burlington, Ont.	0	0
(c)	Mr. Mario Clara (Clara Metals), Thunder Bay, Ont.	2	2

JOB OPENINGS REPORTED BY EMPLOYERS AND FILLED BY CMCS (PRAIRIE REGION)

Question No. 3,887—Mr. Howie:

1. Since August 1, 1975, how many job openings were reported in the Western Region to the local Manpower Centre by (a) The George D. Simpson Manufacturing Co. (1965) Ltd., Winnipeg, Manitoba (b) Fairford Industries Ltd., Moose Jaw, Saskatchewan (c) MacDon Industries Ltd., Winnipeg, Manitoba (d) Bulman Group Ltd. and Bulman Bros. (1968) Ltd., Winnipeg, Manitoba (e) International Laboratories (1972) Ltd., Winnipeg, Manitoba (f) W.K. Printers Aid Ltd., Winnipeg, Manitoba (g) Metro Pallet Enterprises Ltd., Winnipeg, Manitoba (h) Mid Canada Tackle Mfg., Winnipeg, Manitoba (i) North American Lumber Ltd., Winnipeg, Manitoba (for a facility), Weyburn, Saskatchewan (j) Centennial Steel Products Ltd., Winnipeg, Manitoba (k) F.P. Bourgault Industries Ltd., St. Brieux, Saskatchewan (l) Mel-Cam Industries Ltd., Imperial, Saskatchewan (m) Hillcrest Farms Ltd., Bruno, Saskatchewan (n) Brewster Sales and Services Ltd., Lumsden, Saskatchewan (o) Mercury Printers Ltd., Saskatoon, Saskatchewan (p) Manitoba Sausage Mfg. Co. Ltd., Winnipeg, Manitoba (q) Maverick Industries Ltd., Winnipeg, Manitoba (r) Friggstad Manufacturing Ltd., Frontier, Saskatchewan (s) Murray P. Lund, Winnipeg, Manitoba. (t) Carte Electronics Ltd., Winnipeg, Manitoba (u) City Bread Co. Ltd., Winnipeg, Manitoba (v) Designex Buildings Ltd., North Battleford, Saskatchewan (w) Empire Printers Ltd., Winnipeg, Manitoba (x) Cooper Furniture Ltd., Winnipeg, Manitoba?

2. In each case, how many of the positions reported were actually filled by persons referred to the firm by the local Manpower Centre?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1 and 2.

	Company Name	Reported Job Openings	CMC Placements
(a)	The George D. Simpson Manufacturing Co. (1965) Ltd., Winnipeg, Man.	24	19
(b)	Fairford Industries Ltd., Moose Jaw, Sask.	2	2
(c)	MacDon Industries Ltd., Winnipeg, Man.	47	38
(d)	Bulman Group Ltd. and Bulman Bros. (1968) Ltd., Winnipeg, Man.	4	3
(e)	International Laboratories (1972) Ltd., Winnipeg, Man.	5	2
(f)	W.K. Printers Aid Ltd., Winnipeg, Man.	0	0
(g)	Metro Pallet Enterprises Ltd., Winnipeg, Man.	0	0
(h)	Mid Canada Tackle Mfg., Winnipeg, Man.	0	0
(i)	North American Lumber Ltd., Winnipeg, Man. (for a facility at Weyburn, Saskatchewan)	0	0
(j)	Centennial Steel Products Ltd., Winnipeg, Man.	1	0
(k)	F.P. Bourgault Industries Ltd., St. Brieux, Sask.	15	15
(l)	Mel-Cam Industries Ltd., Imperial, Sask.	0	0
(m)	Hillcrest Farms Ltd., Bruno, Sask.	0	0
(n)	Brewster Sales and Services Ltd., Lumsden, Sask.	0	0
(o)	Mercury Printers Ltd., Saskatoon, Sask.	0	0

	Company Name	Reported Job Openings	CMC Placements
(p)	Manitoba Sausage Mfg. Co. Ltd., Winnipeg, Man.	1	0
(q)	Maverick Industries Ltd., Winnipeg, Man.	0	0
(r)	Friggstad Manufacturing Ltd., Frontier, Sask.	27	23
(s)	Murray P. Lund, Winnipeg, Man.	4	4
(t)	Carter Electronics Ltd., Winnipeg, Man.	13	13
(u)	City Bread Co., Ltd., Winnipeg, Man.	0	0
(v)	Designex Buildings Ltd., North Battleford, Sask.	4	3
(w)	Empire Printers Ltd., Winnipeg, Man.	2	0

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 2,391 could be made an order for return, this return would be tabled immediately.

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

[*Text*]

LANDED IMMIGRATION BY ORDER IN COUNCIL IN THE PAST TEN YEARS

Question No. 2,391—**Mr. Epp:**

1. How many immigrants were landed by Order in Council (Ministerial permit) in each of the past ten years?

2. What were the characteristics of the immigrants in each year in terms of (a) country of last permanent residence (b) occupation (c) sex (d) age (i) under 19 years (ii) 20 to 29 years (iii) 30 to 39 years (iv) 40 to 64 years (v) 65 and over?

3. What were the reasons, in a broad sense, for the admission of the immigrants by this special procedure in each year?

4. Is it the policy of the Department of Manpower and Immigration to reveal to the public the identity of those who initiate this special procedure on behalf of the applicants, be they attorneys or other consultants working for a fee or private persons acting for other than pecuniary reasons and, if not, for what reason?

Return tabled.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Friday, January 30, consideration of the motion of Mr. Lalonde that Bill C-68, an act to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, Bill C-68 seeks to amend the Medical Care Act so as to limit the federal government's contribution to any increase in the cost of medicare above specified limits. When taken in conjunction with the notices given the

provinces last June announcing the federal government's intention to terminate the present five-year agreement with regard to hospital insurance, this legislation represents the beginning of the federal government's opting out of the solemn undertakings given the provinces when the hospital insurance and medicare program was introduced. The provincial governments were induced to participate in these worth-while programs on the assurance that Ottawa would pay approximately 50 per cent of the cost.

We are now witnessing a betrayal of these commitments and a determination to shift the burden to the provinces, with what I predict will be disastrous results. This is legislation which ought to be resisted by every member who wants to protect our present health care programs and who wants to promote better relations between the federal government and the provincial governments of this country.

Last Wednesday, the minister opened his statement with the declaration that "Canadians enjoy one of the best health systems in the world." It is true that we have made commendable progress in this field in the last 20 years, but we should not delude ourselves that our system is the best in the world. Many countries, such as the Scandinavian countries, the United Kingdom, Holland, New Zealand, West Germany and Israel have had comprehensive health insurance programs for a much longer period and which cover a much wider range of health services than we have. So far, our health programs have covered only hospital and medical services insofar as federal financing is concerned. Such additional services as home nursing, denticare, prosthetic appliances and pharmacare have been financed entirely by some of the provinces at a cost for all the provinces of $1.5 billion this fiscal year and an estimated cost of $1.9 billion in the coming fiscal year, plus a supplemental payment of another $800 million annually until 1980.

Those provinces which cannot afford these additional services have had to deny these benefits to their people because Ottawa has failed to expand the medical care program beyond the services provided for in 1968. Now the federal government wants to limit its financial contribution even in respect of the present limited programs. The fact is, of course, that the Liberal party always has been a reluctant proponent of comprehensive health insurance. Let me review briefly the history of health insurance in this country and the part the Liberal party has played in that program. In 1919 the Liberal convention held in Ottawa pledged itself to institute a comprehensive health insurance program. If my recollection is correct, I believe the resolution was moved by the late Right Hon. W. L. Mackenzie King. No action was ever taken by successive Liberal governments to implement that commitment in the 36 years between 1921 and 1957. Liberal governments were in office for 31 of those 36 years, and they left office in 1957 without having implemented one iota of a comprehensive health insurance program.

At the end of the war in 1945 they brought down the excellent green book proposals which contained many fine proposals, among which was comprehensive health insurance. No action was taken. On January 1, 1947, the provincial government of Saskatchewan launched the first comprehensive hospital insurance program not only in Canada

but in North America. But where was the Liberal government in Ottawa? It never contributed a dime to that hospital insurance program. As a matter of fact, the Liberal party in the province of Saskatchewan opposed the hospital insurance plan with all the power at its command. On July 1, 1948, the province of British Columbia also introduced hospital insurance and it, too, was left to carry on without any federal participation.

● (1520)

It is true that in 1956 the hon. Paul Martin, who was minister of health in the St. Laurent government, introduced a bill for hospital insurance, but it had a glaring loophole in it. That legislation said that the act would not come into effect unless a majority of the provinces in Canada, representing a majority of the population of Canada, consented. Of course, at that time it was perfectly apparent that both Ontario and Quebec had indicated their opposition to hospital insurance, and in consequence the Liberals left office in 1957 without having contributed in any way to hospital insurance in Saskatchewan or British Columbia and had made no move to assist any other province which might have wanted to set up a hospital insurance program.

The government of the right hon. member for Prince Albert (Mr. Diefenbaker) in 1958 removed the loophole which had been placed there by the St. Laurent administration, with the result that Saskatchewan, after financing a program alone for 11½ years, and British Columbia after financing their program alone for 10 years, were eligible for financial assistance from the federal government, and other provinces subsequently joined in carrying out the hospital insurance plan. On July 1, 1962, the government of Saskatchewan introduced the first comprehensive medicare program, and again that program was financed entirely out of provincial revenue. The government of the right hon. member for Prince Albert made no financial contribution, but I give him full credit for setting up the royal commission headed by Mr. Justice Emmet Hall who brought down a report in 1964 which, in my opinion, is probably the finest report on comprehensive health insurance that has been written in the English language.

From 1965 to 1968 we had in this country a minority government, and it is noteworthy that the Liberal party is always much more sensitive to public opinion when they are a minority government than when they have a huge majority. In 1968—and I give them full credit for it—the Pearson government brought in a comprehensive medicare program. The man who piloted that legislation through the House as minister of health was the present Secretary of State for External Affairs (Mr. MacEachen). I am sure he must be very proud of what he did. I would certainly like to hear him take part in this debate and tell us what he thinks about the way in which that plan is now being eroded.

When the federal government brought in medicare and participated in the sharing of costs, of course the province of Saskatchewan became eligible for financial assistance after having financed medicare entirely out of provincial revenue for six years. Of course, other provinces then began to join the plan until eventually all the provinces were covered. But those provinces joined the medicare plan reluctantly, not because they were unwilling to provide their people with medical services but because they knew, as anyone who had studied the problem knew, that the cost would escalate. There had been a great backlog of people who needed medicare and who required surgical care; consequently, the provinces knew that the costs would rise. But they were induced to enter this expensive new program on the solemn undertaking that the federal government would meet approximately 50 per cent of the total cost. They never dreamed that the day would come, as it has now, when the federal government would pull the rug from under their feet.

For a number of years now, the Liberal government has been seeking to reduce its responsibilities with respect to medicare. For instance, it is noteworthy that since 1968 they have not added one health service to that medicare program, although there is provision in the act for the government, by order in council, to include additional services and enter into agreements with the provinces for that purpose.

It is no secret that members of the cabinet were not enthusiastic at the time about the medicare program, and that ever since they have been seeking ways and means of transferring some of the burden to the provincial governments. For instance, at the federal-provincial health ministers conference in May, 1973, a new formula was suggested which would have limited federal contributions to the increase in the gross national product. Can you imagine anything more ridiculous than tying the federal government's contributions to a health program to the GNP? There is no possible relationship. Had that formula been accepted by the provincial governments, it would have meant that on the basis of 1975, when there was virtually no increase whatsoever in the GNP, the provincial governments would have received no increase in the federal government's contribution despite the fact that the costs in 1975 went up by 16 per cent.

I do not need to tell the House that in September of 1974 the provinces rejected this formula and stressed the need for alternative and lower cost programs which would reduce expenditures for higher-cost programs. At the federal-provincial health ministers conference held in January of 1975, the present Minister of National Health and Welfare (Mr. Lalonde) promised more money for the provinces and agreed to arrange meetings to explore the possibly of reconciling the different points of view between the federal government and the provincial governments. That commitment to arrange discussions was sabotaged by the former minister of finance when he announced his budget last June, and it is very significant that the Minister of National Health and Welfare has consistently refused to convene another federal-provincial conference of health ministers. There was going to be one in the fall, then it was put off until December, then it was put off until January or February. January is gone, and I do not know whether or not it will be held in February.

It is quite apparent the Minister of National Health and Welfare does not want to meet the provinces because the budget of June 23 last was one in which the former minister of finance, unilaterally and arrogantly, made two decisions without any consultation whatsoever with the provincial governments. The first decision was that the federal government gave notice of the termination of the

hospital insurance agreement. Last Wednesday, the Minister of National Health and Welfare said that this termination notice was for the purpose of replacing the present agreement with another agreement. That statement will fool nobody. If the present 50 per cent sharing agreement is satisfactory, there is no need to replace it. The real purpose of giving notice of the termination of the hospital insurance agreement is so that the federal government can force the provinces to accept limits upon the financial contributions of the federal government. This is a form of blackmail which will do nothing more nor less than injure future federal-provincial co-operation.

● (1530)

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): The second decision which was made and announced through the budget of last June was that the federal government was going to limit its contribution to any increase in costs of medicare to 13 per cent in the fiscal year 1976-77, to 10.5 per cent in the year 1977-78, and to 8.5 per cent in the fiscal years which follow. That is what the bill we are debating prescribes. The other day the minister said that it could go up to 14.5 per cent in 1976-77, to 12 per cent in 1977-78, and to 10 per cent thereafter, but that is assuming a population increase of 1.5 per cent. In view of the fact that part of the formula is based on per capita per province, of course those figures represent a maximum possibility and not a guarantee to the provinces. It is far more likely that the provinces will be held down to the 13 per cent, 10.5 per cent and 8.5 per cent, with some slight adjustments.

In opening the debate on this bill, the minister said that when the bill goes to the committee of the House he intends to introduce three amendments. The first amendment he will introduce will be to remove the arbitrary ceiling for the years after 1977-78. The press and media reports have mistaken the effect of this proposed amendment. The amendment does not mean there will be no ceilings after those two years. It means that the legislation will give the federal government, and I quote the minister's words—

—authority to set ceilings for subsequent years, in accordance with an appropriate formula to be developed in the meantime, after consulting with the provincial governments.

In other words, after 1977-78 it could be less than 8.5 per cent. It could be anything the federal government chooses to set by order in council. When the minister says "after consultation with the provinces", that is a joke. This is consultation with a club, because the minister and the federal government have the power to set whatever limit they want on their participation and the provinces will have no option but to make petitions and to utter pleas. But the federal government will make the final decision. In other words, what the minister is asking is that this parliament give the federal government the authority to impose any formula it chooses. The government is asking for a blank cheque to reduce its financial commitments, irrespective of the adverse effects on the provincial governments and the sick, and irrespective of the escalating costs of health services at that particular time.

In my opinion, the second amendment proposed by the minister makes good sense. It suggests that where new services are introduced under medicare, the federal government's share, on a national per capita basis, should be dealt with separately and not lumped with the per cepita cost figures of all medical services. That still does not mean that the federal government will add any new services to the present program. As a matter of fact, it has not added any in the last seven years, and now that it is on this austerity kick based on fighting inflation I think it is fairly safe to assume that this government is not going to add any new health services to the present medicare program.

The third amendment which the minister says he intends to move merely seeks to extend from one year to three years the period during which the federal government will pay 50 per cent of the cost of a newly-insured program. In other words, the government intends to do, with respect to new health services, what it is already trying to accomplish with respect to present health services, namely, to get the provinces into a program on a 50-50 basis and then impose limits on the contributions of the federal government when costs are most likely to rise.

I ask, would any hon. members of this House, if they were provincial premiers, be prepared to launch denticare, pharmacare or home nursing programs, knowing that after three years the contribution from Ottawa would depend on the whim of the Minister of National Health and Welfare and the whim of the Minister of Finance. When one looks at their record, it is predictable that most of the provinces will be inclined to take the position of "once bitten, twice shy."

What reasons has the minister given for introducing this legislation imposing limits on any increase in the contribution of the federal government? The minister admits that although costs have risen for health services, as has the cost of everything else that we buy; nevertheless, our total health expenditures, as a percentage of our gross national product, have actually declined. The only reason given for this legislation was given by the minister as reported at page 1408 of *Hansard*. He said:

The ceilings will provide an incentive to exercise appropriate cost control over medicare costs, for example, by encouraging prudent use by both providers and recipients of services, and by introducing lower cost alternatives to high cost services, wherever feasible.

I draw the attention of the House to the fact that there is no guarantee the federal government will share in the cost of any lower-cost services in order to reduce the cost of higher-cost services. It always seems strange to me that the Minister of National Health and Welfare and the Minister of Finance (Mr. Macdonald) have never understood that the provinces are more anxious to keep down the cost of hospital insurance and medical care than the federal government is, because the provincial governments have to be more anxious to keep down costs than the federal government does. Every provincial government has had to wrestle with the problem of rising health costs ever since this program was implemented, because for them the cost of health services, in the main, represents a larger percentage of their budget than it does of the budget of the federal government.

The real reason for the escalating costs of health care is not that the provinces have been imprudent and wasteful. The real reason for the escalating cost of health care is the

failure to recognize that removing the financial burden from the patient was only the first phase in implementing a medicare program.

● (1540)

Those of us who had anything to do with introducing medicare always told the public and those who supplied the health services that phase II must inevitably follow phase I if we were going to control health care costs. This second phase of a properly constituted health insurance program is to alter the delivery system. The federal government has done absolutely nothing about this. Hospital costs could be reduced by assisting the provinces to institute extended care units for the chronically ill who are occupying too large a percentage of beds in acute care and active treatment hospitals. Home nursing programs would enable many patients to be cared for at home. Rehabilitation centres would provide physiotherapy and psychotherapy for many people on an out-patient basis if properly organized.

In the same way, medical costs could be reduced if financial inducements were available for the establishment of community health clinics which place the emphasis on preventive medicine. Denticare programs, particularly for children, would pay dividends in the years ahead. Pharmacare would help reduce the cost of drugs and enable many people to cope with minor ailments which, if neglected, could result in heavy medical expenditures.

The Minister of National Health and Welfare and his department have never effectively faced up to providing lower cost alternatives or encouraging the practice of preventive medicine as insured services under the medicare program. Some provinces have tackled these problems but have received no federal assistance. The result is that provincial governments in total, as I said previously, are spending in this fiscal year $1.5 billion. For the next fiscal year the estimate is $1.9 billion, plus $800 million additional per year up to 1980. That is a tremendous burden for provincial governments to carry. After more than four years in his present office, this minister has been derelict in his duty and now wants to blame the provinces for his negligence.

Of course we want to control expenditures. Of course we cannot allow health care costs to run away, as they can easily, but I suggest the minister is starting at the wrong end of the spectrum. If the minister wants to curtail costs, he should work with the provinces in providing lower-cost service to replace the high-cost services which are resulting in these escalating costs all across Canada. Mr. Speaker, I think we have to ask ourselves one very serious question. If this legislation becomes law—and I hope it will not—and if it saves the federal government some money because it reduces the contribution the federal government will make to medicare, who is going to pay the costs of this iniquitous piece of legislation?

If, in the next few years, the cost of providing medical services in this country rises more rapidly than the limits contained in the bill now before us, the provinces will have very serious budgetary problems. They will find that instead of getting 50 per cent of their costs from the federal government, they may be paying a larger share than the 50 per cent they have been paying up until now.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

What options will be open to the provincial governments in that situation? They have several options. The first is that they can raise provincial taxes to make up for the loss of any revenue from the federal government. Their tax field has limits, however. They can raise the sales tax, for instance, but in many provinces the sales tax is now so high that any increase would be counterproductive. They could put a tax on land, but if they did that they would be interfering with almost the only source of revenue that the municipalities have. They could impose a per capita medicare tax and levy upon every family a certain amount of money in order to provide health services for members of the family. Surely that is a regressive tax. It has no relation whatsoever to ability to pay. We do not want to go back to a per capita tax in this country.

What other options do the provincial governments have? As has been suggested in some quarters, they could impose a deterrent fee; they could require that every person going to see the doctor would pay $5, and $10 in the case of a house call. They could provide that those who must undergo surgery pay the first $50 or $100. They could require each person to pay a certain amount for X-rays and laboratory tests. It is true that for those on middle and upper incomes this might not be a great burden, but for those on lower incomes and on fixed incomes, those with prolonged or protracted illnesses, it could be a disaster. Do we want to help the federal government save money by instituting what virtually will be a tax on the sick? Are the people who are to bear the burden of the federal government's austerity program to be those who are lying flat of their backs through illness or going into surgery?

What other alternatives do the provincial governments have? It should also be remembered that for the less affluent provinces there may be no alternative but to reduce the fees paid to medical practitioners. That could result in a migration of health personnel from the less affluent provinces to the more affluent provinces, with the result that those in the poorer provinces of Canada would have substandard medical care.

When I look back over the years to the Rowell-Sirois report—of which I think all Canadians were very proud; it was a watershed of federal-provincial relations in this country—the report said we must set as our first goal the day when every Canadian, from the Atlantic to the Pacific, no matter where they lived, no matter what their income, no matter what their situation, would be entitled to the same standard of health, education and social security as any other Canadian. That goal will not be reached if this legislation is passed, Mr. Speaker; on the contrary, we are taking a backward step. It may mean that some of the provinces, of necessity, will have to accept lower standards of medicare because of the legislation now before us.

This government is on an austerity kick; it is deciding to cut down on its expenditures, and with some of those reductions I have no quarrel. They decided to discontinue Information Canada: they are going to put a sign in the window, "Open by mistake". I have no quarrel with that, but what are the things they are cutting? They propose to eliminate some of the community programs carried on by the CYC. They have decided not to continue with the indexing of family allowances, and now they are to limit their contributions to medical care. This government seems

to have adopted the well known law of the sea—women and children first.

● (1550)

I say, in conclusion, that this legislation ought to be defeated. Some of us will do all we can to defeat it, but we cannot defeat it by ourselves. I appeal to members on the government side of the House to oppose this legislation. If they cannot summon the courage to defeat it, they can at least ask for the legislation to be deferred.

Mr. Benjamin: Forever!

Mr. Douglas (Nanaimo-Cowichan-The Islands): It should be deferred until the federal and provincial ministers of health meet to see if this problem can jointly be worked out. Possibly there is a compromise under which it can be worked out. I think the provinces might accept some limitation if the federal government were to say, "We are prepared to share with you the cost of all programs which provincial governments have financed entirely on their own," and if the federal government were prepared to guarantee the provinces that in the case of lower-cost programs which are introduced to help reduce higher-cost programs, the federal government was prepared to pay at the beginning of the fiscal year up to 50 per cent of the cost.

If the federal government is not prepared to do that, then I say this legislation ought to be resisted. Those of us who hold strong beliefs on this subject will do everything we can to delay it at least until the people of Canada become aware that the health program of this country is being sabotaged. I think that when the Canadian people become aware, there will be such an outcry that this heartless, iniquitous legislation will never be passed.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in speaking to Bill C-68, an act to amend the Medical Care Act, I begin by restating a truth which this act recognizes but which has for long been dismissed by politicians and proponents of government health care. This truism was stated succinctly by Mr. Enoch Powell when he was minister of health in the Conservative government in England in the 1950s. He said that health care must always be rationed; if it is not rationed by the patient's pocket-book, it has to be rationed by the entrance into the health care system, namely, at the doctor's office or at the hospital door. In effect, this bill represents the first, timid beginnings of our recognition that the economy will not support unlimited health care programs.

Politicians often thought that the advent of federal-provincial programs for hospital and medical care suddenly extended the life expectancy of Canadians, or suddenly improved the health of Canadians and relieved overnight their terrible suffering from disease. This, I submit, is doubtful. The proponents of medical care felt that it would improve health so much that illness would vanish. Unfortunately, the opposite is true. The British felt that their health care system would improve health in this way. Some British health researchers thought that health care would so improve health that many hospitals would not need to be opened. Of course, if you improve a person's health in his younger years, he will live longer. Nevertheless, eventually, in the latter part of his life, he or she will suffer from some chronic illness and take up space in hospital or occupy a nursing care bed.

Prior to the introduction of the federal-provincial medical care system between 75 per cent and 80 per cent of our people were covered by private health care plans. Many of these plans were so good that when medicare came in some people opted to remain out, for their own personal benefit. Thus, there existed health plans for individuals under which they could obtain medical care. At present, much of our medical care is of lower quality than was available in pre-plan days. Hospital beds are not readily available now, whereas previously they always were available, even if one had to be admitted as a charity patient. But now there are long lists of patients waiting for admission. Often, by the time patients are admitted the need for admission has gone or the value of admission has declined. Indeed, the pressure to keep patients in hospitals, a pressure exerted on individual physicians, is so great that often, even though a physician would like to admit a patient who exhibits slight symptoms but is suspected of suffering from a serious illness, the physician does not do it because he is afraid the hospital will impose disciplinary action and reduce his hospital privileges.

Of course, one must always choose and judge: do you admit an elderly person, severely ill and in a terminal state, or do you fill the bed with a young person who needs an operation or whose illness might not be life-taking but for whom hospital treatment immediately will result in improved health in the years ahead? These facets of medical care and hospital function have never been properly assessed by politicians when setting up health care programs.

Perhaps it is difficult for one to criticize and be objective about "motherhood" issues such as taking care of the ill, and the health of the population. I say this because the study of health cannot be strictly defined. From the day we are born, until the day we die, we are never completely healthy nor completely ill. Always, in some measure, we are in some in between state. Governments and ministers of health like to reel off statistics dear to the hearts of bureaucrats. The minister did this in his speech which opened the debate on this bill. He suggested, for instance, that there is no upper limit to the insured services which people may receive. I suggest that is not correct. I mentioned a few limits just now. Also, hospital lists are so long that for practical purposes admission cannot be gained for the condition concerned. Sometimes payments for procedures are so low that some physicians may curtail certain procedures or lessen the amount to be done.

Hospital and medical care programs have been instrumental in introducing some interesting developments. For example, the control of medical care has been taken away from professionals and given to the new super group, hospital administrators and lay people involved in administering the act. Perhaps this is necessary, because someone must spend the money which governments allocate. But the result has been a curious change in general medical care, particularly within hospitals. Before the government passed the hospital program, most people working in a hospital were directly involved with the medical care of patients. After the hospital program was adopted, the number of people caring directly for patients did not

increase greatly; on the other hand, hospitals are now alive with the many people codifying, supervising and cataloguing the daily work of the hospital. The reason, partly, is the attempt of Canadian hospitals to reach accreditation standard.

Hospital boards and administrators tend to downgrade the care of patients and to concentrate on the documentation necessary to have the hospital accredited. No criticism will be made of a hospital if patients expire on its doorstep, but the hospital could be severely reprimanded for not having its documentation up to standard. Perhaps hospital accreditation in Canada improved health care a little and documentation a lot, but it increased enormously the cost, and most of that cost went into non-patient services. It has been said that the programs are completely portable. Certainly, as far as physicians are concerned it is always difficult to get paid from the plans of provinces other than the one in which they are practising.

● (1600)

The minister has suggested that a measure of what has been achieved by these health programs is indicated by the maternal mortality and infant mortality rate. I would suggest that the programs have had very little effect on these indices. The drop in the birth rate, whereby a mother is having only two or three children, is the reason that statistics will always be better. Furthermore, transportation has played a considerable part in allowing individuals to seek better medical care. One of the interesting developments of present hospital and medical care plans is exclusion from the decision-making process of the bureaucratic system of hospital and medical administration. In the province of Manitoba, for instance, the minister of health has indicated that he alone will decide what an individual physician is worth, and he alone will decide the value of new procedures and changes that might occur from time to time in the fees schedule. At the hospital level it is difficult to have new drugs introduced or to have new instruments purchased. Preoccupied, as they are, with the day to day running of hospitals, it is understandable that administrators do not want to introduce new drugs, new techniques, and so on, some of which may not be very useful.

A few years ago a drug act was introduced. It was to reduce the cost of drugs. The cost has been reduced to some extent. What is notable is that newer drugs coming on the market in the United States, the United Kingdom and Europe are not being distributed in Canada. The drug act discourages the marketing of new drugs that would be useful in this country. Most drugs are formulated and researched abroad.

Mr. Speaker, it is a great tragedy that when the medical and hospital care programs were introduced, the form they assumed was cost-sharing. The federal government seemed reluctant to trust the provincial governments to bring forward a scheme to upgrade the many programs that were already in effect. This seemed to be in the mistaken belief that many provincial governments would not have spent the money wisely and would have used it on other ventures. The 50-50 cost-sharing proposal has meant the establishment of the most expensive form of medical care. A province that tried to be careful was penalized, and the citizens deprived, because the program was geared to the most expensive provincial medical plan. For example, the hospital that introduced a $1 or $2 deterrent fee, as many did, found that when working out the formula, because of the $2 the patient had paid, the federal government paid $1 less.

From the beginning these should not have been cost-shared programs; they should have been transfer payments, without strings, so that the provinces could have instituted and brought forward their own plans. There is nothing sacred about having a uniform plan across this country. Indeed, with our regionalism we obviously cannot have the same level of care in any two provinces. This new act by the government is obviously an attempt to return fiscal responsibility to the provincial governments. This, I think, is a good idea if satisfactory cost-sharing arrangements are worked out with each province. My opinion has been that the proposals given to the provinces were generally highly unacceptable and that until further encouragement is given to the provinces in the way of proposals, difficulties will remain.

The minister spoke of the number of physicians in Canada. I agree with him to a considerable extent that the number of physicians is adequate and in some cases more than adequate. Under the fee-for-service basis of practice where the medical plan pays, there is a tendency to manufacture patients. Studies carried out by the medical care groups seem to indicate that there are enough physicians, although there is widespread suggestion that they are poorly distributed. The distribution is perhaps not as bad as has been suggested. For instance, a neurosurgeon may need 200,000 people to provide him with enough patients to exercise his skill. Therefore, it would be hardly practical for him to set up in northern Manitoba or in northern Ontario. Transportation has made people able to take advantage of medical skills available far removed from their home. Indeed, if people are really ill or feel that they could have a serious problem, they often make a trip to a large centre where there are numbers of specialists available for their immediate problem. This is, on the whole, quite a good thing.

Canada has been accused of importing many thousands of trained personnel, especially medical, from the developing countries. Many of these come through the United Kingdom which, in order to fill up with cheap doctors the lower echelons of the hospital services in that country, admitted thousands of third world doctors. Many of the displaced United Kingdom doctors immigrated to Canada and, of course, to other parts of the world. More doctors stayed in Canada because remuneration increased due to our affluent society and the discouragement of the immigration of physicians to the United States because of the Viet Nam war.

My understanding is that opportunities and conditions in the United States are once again increasing. Nevertheless, with a population growth decelerating there would seem to be adequate numbers of physicians being trained in Canada for our needs. Medical colleges are full, and they will likely remain so until the university population drops to coincide with the birth rate. For medical colleges, this could well come in 1984, because by 1964 the number of births had dropped drastically. It is interesting to compare this with the fact that in 1956 the medical colleges in

Canada were hardly half full because there were so few applicants. This coincides with the 1936 birth rate, the lowest of the depression.

Governments should study carefully the effect of immigration of physicians on the total health care program. There is little point in having immigrated physicians to excess. There is little to be gained by overservicing, but I admit it is very difficult to determine when there is adequate health care. It is difficult to foresee what would be totally best for health care. I believe that the one group on which forward progress in health care largely depends has been shunted aside to some extent and left out of the decision-making process—and that is the physicians. After all, the physician has had, and will probably continue to have, an important place in the health care delivery system. On his opinions rest, and will probably continue to rest, the over-all responsibility for much medical and hospital care. He usually initiates the patient into the system by examining him, prescribing drugs and admitting him to hospital. In this role, the present medical care system has probably not materially changed.

● (1610)

It is significant that the cost of physicians' services has not escalated as rapidly as in other parts of the health service. In fact, most increases have come about, so far as medical care is concerned, because of the relative increase in the numbers of physicians as compared to the general population. With medical care in place for the past seven years, some fees are now getting out of line and physicians at times are arranging their practices to seek the fee schedule that will best serve their needs. There is a tendency to reduce the number of procedures carried out and to increase the number of consultations. It is time physicians recognized that the medical care system is becoming rigid, detrimental to good medical care and, hence, to patients.

One suggestion I would like to make in this regard is that to a certain extent physicians should opt out of the medical care plan. This would increase the flexibility of the medical care plan and would chart new courses in health care. In my own province of Manitoba, the doctors who are members of the Manitoba Medical Association are in dispute with the government over the fee increase to which they should be entitled. Under the Anti-Inflation Board guidelines the minister of health says the increase should be no greater than $2,400, whereas the physicians are arguing that the average should be no more than $2,400.

I agree with what the minister of health in the province of Manitoba, Mr. Desjardins, has said, namely, that physicians should opt out of the medical care plan. Their patients would pay through the paying agencies the same rate of fees that the physicians had under the plan. In my opinion, this is one of the better ways of controlling fees and it also acts as a safety valve on the care of patients. In my opinion, approximately 25 per cent of the physicians should be outside the plan. If being outside the plan increases physicians' collection costs, then they will have to work for less, or charge more. If he can still keep his office filled and his income still reaches the desired level, it means there is a need for further physicians in the area and that people are willing to pay extra for extra service.

In addition, the physician is able to practise a much better brand of medicine. However, if too many physicians are outside the plan, in effect this means that the payments are too low. It is always easy, under a medical care plan, to keep patients coming into the office. At the moment I think one of the best ways to get an over-all reading of how good a medical care plan is for the population is to ascertain how many physicians are in fact practising outside the plan.

With regard to hospitals, I think the outlook for increasing and improving the standard of hospital care is somewhat bleak. I suggest there will be a steady reduction in the quality of care that is given in hospitals. More and more hospitals will become institutions for those who work in them, with patient care designed for and correlated to the needs of the hospital. Hospitals, by and large, are filled with large numbers of relatively low-paid people. It will be extremely difficult to apply rigid cost rationalization, both for political and practical reasons.

I should like to point out that in the province of Manitoba this year the cost of hospital care is to rise by something like 30 per cent. This is a significant increase and I think is an indication that we are dealing with relatively low wage groups that must receive an increase. It is too bad, as suggested by the previous speaker, that the government has not seen fit to have further consultations with the provinces on this problem.

I sympathize with the aim of the government; I think medical and hospital care must be returned to the provinces. They alone must be responsible for the programs and they must decide how much they have to spend. Obviously, health care must be rationed in some manner since there is not enough money to go around. After all, there can be no end to the good things one can do by way of hospital and medical care. The government's way of going about this has not been a useful exercise. I hope that the minister and the government will reconsider their position before they proceed with this action, in order to see whether something further can be worked out with their counterparts in provincial cabinets.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am sorry that I am following one of my own colleagues. Surely some member on the government benches would want to defend this bill. Sadly, the bill is the result of a treasury decision, obviously not a decision of the government's health department. As my hon. friend, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), said, the provinces are not all the same. This is what members of parliament must keep repeating and repeating to the government benches. My own province of New Brunswick is only now, I regret to say, in the stage of making large capital expenditures on hospital facilities. We in New Brunswick have lagged well behind other provinces which now have enough hospital beds. We are now making large capital expenditures for extensive facilities which are supported by some community facilities.

Another point I want to make is that the suggestion of the minister that he will move an amendment so that after 1978 we swing free, so to speak, is really a preposterous suggestion, one that gives us no confidence at all. As my own leader said, much as we dislike the formula, we did have something to look at. Under the minister's proposal

we will have nothing to look at except the record of this government, and I must say that does not fill us with very much confidence.

We are really fighting a lost battle today when it comes to a properly funded health service for this country. The minister—who has had, both in the ministry and in senior positions in the public service, a great deal or responsibility in the last few years—would be filled with alarm, I would think, presiding over the winding down of an essential element of the Pearson government's program. Those of us who have been here long enough heard the trumpets blow and witnessed the program start up. We stood to attention, and bulletins were issued. Then a little while later the trumpets are muted, the program is being wound down, and co-operative federalism comes to a jarring halt. I, for one, regret this.

● (1620)

I am opposed to the bill. The bill revokes, unilaterally, co-operative federalism. It buries the concept of sharing and it inters the high hopes of the Pearson years. As a matter of fact, I had to sort of scrape away some of the cobwebs to recall that high-sounding phrase "co-operative federalism". Jets were flying from here to Quebec City and back again, with seatbelts fastened, as well they might have been in view of the doubt that the government of the day could survive. It survived because it pulled out a good slogan and, to the government's credit, a major part of that concept was the Medical Care. The government of that day is entitled to some credit for that; I do not dispute that fact.

I do get alarmed about slogans, that were once so much a part of the government's boast, when they are suddenly put away again because they do not fulfil the present concept of need. It is obviously a treasury need and not a health need, and I regret this. I have said this before; I have never understood why words or concepts like "federalism" need any adjective like "co-operative". After all, federalism is a co-operative concept. However, there are people in the language game who like to add things. We have had an addition to the word "democracy" that intrigues me. We were to have a participatory democracy; although that, too, is being retired. Participatory democracy is now a couple of years old. We find that the word is not a bad one and does not need embellishment. When we embellish words like "federalism" with unnecessary baggage, the words themselves cannot keep up with the concepts that government writers or publicity men usually try to give them. Federalism, after all, is shared power and shared responsibility, and the bill itself is a denigration of the concept of sharing.

Obviously the medicare plan should be rethought in light of today's conditions. This does not mean Canada can walk away from medicare or that Canada can freeze itself into a fixed position unilaterally. It grieves me to see a government which touts itself as being one of co-operation and one of justice withdrawing from this plan in the way it is doing. Obviously, too, individual Canadians have an obligation—many speakers have made this point—in the way we fasten our seatbelts. May I say, parenthetically, that I regret the fact that in this very building, at this moment, people are being asked to sign a petition against the wearing of seatbelts in this province. I think this is not in the best tradition of co-operation. The government of this province, for good or ill, has a good deal of courage in this issue and I regret that these halls are being used to prepare petitions among the employees of this place against the wearing of seatbelts.

When I was approached, I said I thought it was wrong. I said I had a very personal experience in my own family which demonstrated to me the efficacy of seatbelts. I hope that inquiries can be undertaken and that this petition can be stopped. I am a believer in freedom, but the way to protest the seatbelt legislation is not by scurrying up and down the halls of this building. The wearing of seatbelts is only part of the whole subject. We have a great deal of evidence about the dangers of smoking. I am an offender, being one of the most notorious cadgers of cigarettes since the former leader of the NDP retired. He and I had a contest to see who could cadge the greater number of cigarettes, but I think the Secretary of State comes in a good second in this regard. In any event, we know that smoking is injurious and adds to the costs that are troubling governments both provincial and federal.

An hon. Member: If you don't want to do it, quit.

Miss Bégin: We don't want to lose you; we want to keep you.

Mr. Fairweather: Thank you very much. I am touched; I am overwhelmed. I should like to touch for a moment or two on a couple of aspects of the program. First of all, the reaction by the provinces is more than understandable. The provinces were looking for a trumpet from on high, and I suppose trumpets from this government are usually unilateral. The provinces reacted exactly as we would have expected, in a federal system, to any decision which was taken unilaterally. From an over-all perspective, I would like to suggest it is time for federal government initiative in health costs reforms. No responsible member of parliament could ever allow free-wheeling, and any one of us who has a slight knowledge of the provinces' efforts to control health costs know that they are serious in undertaking them. It is not the same thing to have a bill which makes a unilateral decision, dumping the problem onto provinces without offering any compensation or national leadership and direction. Really, what the federal government is doing is walking away from the problem. Furthermore, Bill C-68 deals solely with medical services, an area which has not demonstrated unwieldy cost escalation.

Let me make some suggestions in respect of the official opposition. First, a method of avoiding the arbitrary and rigid nature of the ceilings would be to remove the percentage delimiters from the statutes and implant them, instead, in regulations. We have the statutory instruments committee which could decide whether the regulations were fair, just, and so on. This approach would allow a year-by-year examination and review of the guidelines as set down in the regulations, thereby guaranteeing close federal government monitoring and at the same time meeting conditions necessary to ensure desirable levels of health standards. Second, we should establish a tripartite committee to investigate the fiscal aspects of medical financing. Such a committee could consist of provincial representatives, members of the medical profession and federal officials, and could play an integral role in establishing the very guidelines about which I have spoken.

In the area of general health care and hospital care, the federal government should suggest specific proposals to the provinces in order to make the system more cost-effective. Considering that the provinces have a built-in incentive in achieving this end—after all, they are responsible for 50 per cent of the costs—they would undoubtedly be receptive to such an overture. Such an approach could consider the standards of hospital admission, the length of bed occupancy in hospitals, the use of X-ray and laboratory equipment in local clinics and hospitals, and a review of the comprehensive nature of medical and hospital care.

● (1630)

Next, taking the typology provided in "A New Perspective", we should escalate a government program designed to improve lifestyle. The Prime Minister (Mr. Trudeau), on New Year's Eve spoke about a new economic order and said that we must change our habits. He, himself, in the area of personal care, has been a leader. We must escalate a government program designed to improve lifestyle, environment and human biology, as well as some of the points I made earlier about our way of living which might in themselves result in a decline in medical costs. The document to which I referred, "A New Perspective", suggests that over 60 per cent of all accidents and deaths, for example, in respect of persons between the age of 17 and 35 are related to the automobile.

I should like to make the following suggestions: First, recognizing the importance of financial control of the delivery of health services, I propose a new financial partnership relationship with the provinces in which the responsibility to manage and effectively control these costs would be turned over to the provinces, where it belongs. These costs were alluded to by the Special Joint Committee on the Constitution, chaired by the hon. member for Windsor-Walkerville (Mr. MacGuigan) and Senator Mogat which, incidentally, had some suggestions to make about the national capital commission which seem to have been overlooked by the gallery and other people who think the end of western civilization is about to occur.

Some hon. Members: Hear, hear!

Mr. Fairweather: I have just fastened my seatbelt. At the same time, the provinces should be asked to allow constructive co-ordinated entry by the Government of Canada into areas of major concern on national health problems. It is really not too much to ask that social aspects of our federalism be very much in the provincial field. I have an idea this really is what Quebec has hoped for and what many other provinces have wanted. One's perception in respect of national goals really, in a curious way, depends on whether one is in or out of office. I notice that in the United States the Democrats are now decentralizers and are busy saying that most things are done better by the states. I wonder what Franklin Delano Roosevelt would think of the new Democratic philosophy. I am sorry about this cynicism, but I ask: are we in, or out?

Second, for the serious Canadian health problems of mental health, drug and alcohol abuse, there should be a working partnership with the provinces and professional agencies. Third, with provincial acceptance and support, the Government of Canada should launch a new, all-encompassing research program under which biological or medical research, particularly in the areas of cancer and heart disease, will be intensified. May I say I am deeply troubled by the fact that the treasury of this government has really, in effect, frozen—which means diminished—the amount of money spent today for medical research in Canada.

I do not think it is responsible to take a couple of areas in health and spend massive amounts of money there. I think there should be a very large amount of money spent on the whole spectrum of health care. I, for one, believe it is false economy on the part of the government to diminish the amount of money spent on medical care. Fourth, much research must be undertaken in the neglected areas of lifestyle and environmental health which contribute substantially to unacceptable disease levels. I really think governments of Canada, be they provincial or federal, must come to grips with such matters as asbestos poisoning and mercury poisoning.

I think ex post facto solutions on the part of the legislatures really are quite irresponsible. We are waiting—and I am being all-inclusive here—as we did in the 1930s in respect of silicosis in the coal mines. At that time governments waited until circumstances were so horrible that they were forced to act. In respect of mercury poisoning and asbestos fibres, I think the workman and his family are entitled to protection—not some day down the road, but now. I think it is a tragedy so little is being done in this area.

Next, the federal government should develop programs of prevention or education to alter the poor Canadian lifestyle habits which contribute to the evolution of tragic and often fatal disease processes. In some cases, legislative intervention and action are requested and demanded to enhance lifestyle habits: it probably would be well for the hon. member for Fundy-Royal and a couple of other members who might benefit from such institutionalized activity. Sixth, governmental responsibility is supreme in the field of environmental factors affecting health. In any debate on environmental health, specific courses of action have been recommended. A moment ago I alluded to mercury and asbestos. Of course there are other situations which have occurred to us.

Seventh, there should be more participation by Canadian citizens in the future evolution of health policy by making public representation mandatory in the proposed national institutes for mental health, alcohol and drug abuse. Last, I think the whole problem of the way our country responds to aging people borders on scandalous. It is not a very popular topic. Geriatrics, of course, is substantially down the list of priorities. Governments go for more glamorous subjects like cancer and heart disease. I, myself, have been guilty of that in this speech. The fact is there are a good number of unlicensed premises. In an all-encompassing health care plan we must have some responsibility here. I hope this aspect of sensitivity, compassion and fairness to older people will be recognized soon by the levels of government responsible.

I very much regret Bill C-68. I regret the winding down of co-operative federalism. I regret the fact that the Government of Canada is putting aside the high hopes of the

then minister, the present Secretary of State for External Affairs (Mr. MacEachen).

Mr. Speaker: The hon. member for Okanagan-Kootenay (Mr. Johnston). The hon. member for Athabasca (Mr. Yewchuk), on a point of order.

Mr. Yewchuk: On a point of order, Mr. Speaker, may I say I am somewhat disappointed by the lack of interest the other side seems to be showing in this debate. It seems to me that debates should be based on the adversary system, and so far we have not had very many adversaries. The minister is not here to defend his bill and nobody else seems to be interested in defending it.

Mr. Speaker: Order, please. I think, in fairness, I should point out for the record that the parliamentary secretary to the minister indicated his willingness to intervene in the debate but has only stepped aside on examining the list in order to allow the hon. member for Okanagan-Kootenay (Mr. Johnston) to speak next. I think the parliamentary secretary would either speak now or following that hon. member. Order, please. The hon. member for Okanagan-Kootenay.

● (1640)

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, since I am intervening in the debate this afternoon, I feel that I myself have now become a health problem. One is very conscious of the aging process, especially when I realize that I was one of the people who voted against the original bill presented some ten years ago by a government which was making all things new, bright and shiny. The hon. member for Fundy Royal (Mr. Fairweather) referred to those heady days when a whole variety of measures were taken, measures that are now being rethought. At the time, I suppose I thought I would be at least 80 years old, if not 90, before the wheel came full circle and I would find that the descendant of that government and of the same party had abandoned what had been assumed so lightly and taken on so enthusiastically at that time.

I voted against the original medicare bill, not because I was opposed to the principle, the idea of the bill to even out for the poor and the rich the cost of health service in a civilized country. I also know how utterly damaging to the fortunes, not only of individuals but of entire families, a serious medical operation could be in the 1930s or 1940s, and how lives and planned careers would change because the money with which to pay medical bills had to be found somewhere from private sources. I can say that in the knowledge that the good doctor who attended our family at that time was the kind of general practitioner who was beloved and revered because of his devotion to his small community, because of his sympathy for his patients in the areas that he served, and his reluctance to charge anything corresponding to a high fee. But even the minimal fees that he charged could be at that time a fearfully debilitating blow to a family whose income was very low.

I am sure that many people in the communities around Armstrong will join me in paying tribute to doctor Roy Haugen, a small town physician whose story, I am sure, will be told one of these days, and yet the only publication which would carry it at present is *Reader's Digest* which, if the government has its way, might well cease to be a publication where Canadians could read the somewhat simple annals of those who have devoted themselves to the selfless service of their fellow men.

[Mr. Fairweather.]

I recall very clearly the final, fatal morning when the then minister of national health and welfare, now the Secretary of State for External Affairs (Mr. MacEachen), rushed into the House to make his ultimate statement, rejecting all the protests and representations that were being made by the provinces which, I think, could see a little further into the future than the minister did. He parted the curtains and sailed into the House that morning with all of the hauteur, intelligence and stubborness of a ship of the desert. He launched into a speech in which he rejected any scheme that did not fulfil the four principles of comprehensiveness, universality, administration and portability. Of course, there was a fifth principle in the background that should have been stated at that time, that is, the open-ended nature of the cost which the provinces could see. The federal participation was a promise which, one gathered, would go on and on for ever. We should have been warned at the time, because the government at that time was involved in a very small thing, perhaps, in the ending of perpetual leases that had been undertaken many years before, so we should have realized that their concept of perpetuity amounted to about ten years in time and the time of reneging was coming sooner than anyone might have thought.

I am sure we will not have an intervention in this debate—various remarks have been made about members on the other side not intervening—from the Secretary of State for External Affairs; yet I would like to hear him because it would make an interesting coda to the debate that has gone on these last few days. Just a simple expression of regret perhaps would be adequate.

Mr. Stanfield: It would be difficult to swallow, and he might gag.

Mr. Johnston: It calls for something. It struck me, as I listened to the present minister as he spoke at the opening of this debate, that his speech did not make the bill any easier to accept. I almost thought, as I listened to him, that he was about to retract completely and renege on the bill when he spoke about accomplishments in health care. He said:

> There have been some dramatic improvements in certain indicators. Our maternal mortality rate dropped from 27 per 100,000 live births in 1968 to 11 in 1973, which is now one of the very lowest in the world. During the same period, our infant mortality rate dropped from 20.8 per 1,000 live births to 15.5, by-passing the United Kingdom, Australia, New Zealand and France in ranking.

One could make the suggestion that he might have included the abortion rate while he was laying down that statistic, because if you read the glowing statistic that he has given us, you find that this nation sounds as if it were a nation which truly cared about births and infants, and about dropping of the mortality rate. What a strange, ironic contradiction that as that statistic is being given we note that in the background there lurks another dark statistic which has some connection with the process of birth, life and death. Of course, the minister referred to the various things that so many Canadians who can recall the 1930s and 1940s know, the terrible problems that were

visited on families when a medical bill could ruin the fortunes of a family. All of these things are simple indicators of how terribly difficult it is to go back on a piece of legislation such as medicare.

● (1650)

The reason I voted against it was simply that it failed to consider representations which had been made by the provinces. Failure to consult is here again, and it is as necessary now as it was then. Hindsight is always valuable, but as we look back there is the feeling that if the program had been phased in much more carefully and slowly, it would not have been necessary to retreat from it so rapidly.

I hope some of the things being said in this debate will have some effect on the nation. Others have spoken about the role an individual can play in the whole health process. The self-induced disease is the scandal of our time. Some diseases which arise out of the use of tobacco are emphysema, hardened arteries and heart attacks. All these are terribly costly and debilitating diseases. Medical problems which arise from the use of alcohol are of two kinds. One is the physical kind, cirrhosis of the liver, and other changes in the physical structure of the body. Beyond that there is the terrible toll of road accidents which are directly related to the abuse of alcohol in our society. The casualties and deaths are terrible, but there is a far more awesome statistic which tells of terrible injuries requiring the total resources of medical teams and the best hospitals to rebuild and restructure the results of those accidents.

Besides tobacco and alcohol there is the question of drug abuse. Far be it from me to suggest that just because alcohol is so bad we should then feel free to legalize and endorse a whole new set of health dangers. There is a strange logic which is used very frequently these days by those who argue that alcohol is terrible and we should be much easier on some other things which are around. I cannot quite accept that argument. As a schoolteacher, I watched too many students at an early age virtually disintegrate in the prime of life because they had gone into this business of experimenting with all kinds of chemicals and exotic materials. I knew that many of them would spend the rest of their lives in mental institutions, charges against the health system of this country. Even something as simple as being overweight is a problem individuals can tackle.

It seems to me that one of the greatest failures resulting from the approach to medicare used by the government in introducing it was the failure to see the significance of the federal role in medical research. For years, hon. members have been receiving an annual complaint from the medical people of this country that there is not enough money for research facilities, and it seems to me that it never has been more important to direct money and resources into that field than it is at the present time.

As I read articles about some of the things which might be altered if we knew more about them, some ideas occur to me. We hear a great deal these days about proposals for less traumatic birth and for a changed system of birth which would make birth for the infant a far happier and comforting event than it is at the present time. I think there are grounds there for some very careful consideration. If the government was seriously looking to reap large rewards in terms of mental and physical health, that is one matter which could be very closely studied and reported on. There is a tremendous incidence of mental disorder today, and if the fact that birth as it occurs in most Canadian hospitals is a traumatic experience, that the impact could be softened and from that softening there would be a better chance of a happier and healthier child, this should be looked into very carefully.

Another matter which is terribly important is the question of what happens to the child of a mother who smokes heavily, or at all, during the course of pregnancy. It seems that the effects are various. At least one researcher has suggested that the offspring of mothers who smoke during pregnancy will have significantly greater difficulty learning to read and, in a sense, lower intelligence than if the mother had not smoked. If ever there was a matter on which we should zero in, this is it. The expenditure is not entirely medical; it is spread throughout the school system.

A word has come into our language in the past ten years describing a child with reading difficulties, which cannot be understood because the parents are intelligent; there are books in the home and the mother and father read to him: yet the child cannot read. So we have the word dyslexia, which simply means the child cannot read or has trouble reading. It sounds terribly medical and the educational faculty learned long ago to borrow medical or pseudo-medical terms to mystify the public about what was really under discussion. Yet there is a tremendous load of expense in the educational institutions of this land, as well as in medical institutions, as a result. The demand now for reading specialists, remedial courses and for other help, is greater than it ever has been. In the 1950s and 1960s, particularly in the field of education, enormous strides were made in the teaching of reading. The texts and the methodology were improved, but that has not paid off, and we wonder why. The suggestion resulting from the research of that one medical man should be considered very carefully, quickly and seriously.

When I started this speech I had words of praise for the medical practitioner. However, I am concerned about one aspect of the medical field and that is the question of the automatic operation. When medicare was being introduced, it was suggested that doctors would leave the country. After medicare came into operation, one thing which occurred to doctors was that the centralized medicare system was a far better bill collector than the private physician had ever been. I know that the good doctor I spoke about earlier would be a far wealthier man now had he been as efficient at collecting as medicare has been. Under medicare, the doctor is always paid, or almost always, for his efforts. From that and a variety of other things has come the automatic operation. The tonsillectomy is perhaps the prime offender, and the hysterectomy comes close to it. Again I will trespass on ground which I expect will be the subject of a later debate, and refer to abortion on demand. That would open an entirely new dimension in the field of the automatic operation.

● (1700)

I would have thought that one of the criteria to distinguish between the physician and the quack was that the former had the professional sense to say no to a patient.

That aspect of medicine would be breached in a strange way if the appeal for abortion on demand were granted by this or any other parliament. Perhaps the medical people themselves need to consider very seriously the question of the operation that is so taken for granted that almost anyone who shows up receives it.

Finally, I should like to mention the other serious and disturbing question, that of the artificial prolongation of life itself. This is very important to provinces that obtain a continual inflow of retirees from other parts of the country. It is an important matter in British Columbia. One must be very careful in talking about it because life is sweet still—in spite of the rule of the Liberal government opposite. There is a tendency to cling to life and to hope for a long, happy and useful life.

I am disturbed when I see some of the things that are possible now with modern medical techniques. I know that massive surgery is being and can be carried out on people when the possibility of their living even a year or a year and a half longer is very slender indeed. But the technique is there, the physician is there, the facilities are there, medicare will take care of it, and so the surgery is done. In some cases it seems to me, from my layman's point of view, that the added brief months of life are months of pain and misery and the death that was inevitable is simply slightly postponed. There is no return to a useful, happy or productive life at all. I do not know just how this can or should be approached.

I am afraid nobody believes in an after life any more, least of all some of the churches and some of the preachers. The great Paul Robeson, who died recently, in a song that many people associated with him, "Old Man River," sang the line "We're tired o' living but feared o' dying". I think this describes a large portion of our population at the present time.

In the field of medical research and in an area where institutions can complement each other, I should like to refer to the studies of Dr. Kubler-Ross on death and dying. I know that several churches, the United Church particularly, have held seminars, discussions and classes for ministers so that they could listen to Dr. Kubler-Ross and read her books. I suspect sometimes that her latest writings must be an embarrassment to some of the clergy, because the more she studies the problems of death and dying, the more she has become convinced, not just that there is a hope of an after life but a very good possibility of it. We can take heart to find that concept returning to the churches even by a roundabout route.

An hon. Member: I always thought it was the Senate.

Mr. Johnston: There was a poet who said, "Go not gentle into that good night; Rage, rage against the dying of the light." One sees that Dr. Kubler-Ross knows that there is a time when rage, rage against dying is part of the process. One would hope that somehow a certain dignity could be restored to death and that it might be more acceptable than it has been for a very long time in our society. It should not be a grim topic, because the gift of life implies also the gift of death, and were we as a people able to face death then we would have less of a problem with medicare and our governments, federal and provincial, would have less of a problem.

[Mr. Johnston.]

Mr. Speaker, I would ask that the government pay more attention to the provinces this time around than the previous time around. I would plead, again, that the federal government regard funding of medical research in this country as one of the most important and, ultimately, one of the least inflationary places in which they can put their money.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Royal Canada Mounted Police—Status of Mitchell Bronfman—Possibility wrong information sent to United States officers concerning Mr. Bronfman; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Manpower—Measures to alleviate unemployment in Cape Breton; the hon. member for Medicine Hat (Mr. Hargrave)—Agriculture—Beef—Suggested restriction of foreign imports and renegotiation of United States quotas.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed consideration of the motion of Mr. Lalonde that Bill C-68, an act to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I should like to apologize to the House and to members of the opposition who have pointed to my absence from the House this afternoon. I have been in and out, doing some telephoning in connection with the event that is keeping the Minister of National Health and Welfare (Mr. Lalonde) from the House, that is, the federal-provincial conference of welfare ministers which begins tonight. I regret, and the minister very much regrets, that he cannot be here, but I can assure all hon. members that we look forward to this bill proceeding to committee, at which time all the points raised and the suggestions of the hon. member for Fundy-Royal (Mr. Fairweather) can be gone into.

My observation is that there are so many accusations being made that it is hard to know where to begin. It has

always been that way with medicare. It has provoked a lot of charges and criticisms which later turn out to be false. I should like to look at a couple of accusations associated with the history of medicare and show how wrong the opposition has been and how wrong the criticisms of the program have been. It was widely predicted, for example, that Canada would cease to be an attractive country for doctors to practice in once medicare was adopted, that the immigration of doctors from abroad would dry up. It was felt that our doctors would emigrate to other countries in droves, and that medical students would be less interested in going to medical school because the practice of medicine would be so unattractive. This was heard from critics all over the place when medicare was introduced.

● (1710)

What are the facts? The immigration of doctors from abroad has more than doubled. It increased from an average of 600 per year to about 1,400 per year several years after passage of the act. The emigration, or movement of Canadian doctors to other countries, particularly to the United States, has gone away down from previous levels. For the first time ever, the universities of Canada cannot accommodate all of the absolutely first-class students who wished to enroll in medical school. How wrong can critics be?

Another common prediction was that without patient financial participation at the time of or in direct relation to the medical service, doctors would simply be swamped, the public would go wild and the quality of medical care decrease. What happened? When medicare first came in there was some increase in demand for service in most parts of the country, largely because previously uninsured people and those who had inadequate insurance now had the same financial access to health care as the more affluent.

It is impossible to measure the extent to which this took place, because no comparable data exist for the pre-medicare period. There is no doubt that the magnitude and duration of this increased demand varied inversely with the level of meaningful, pre-existing insurance coverage and also with the previous availability of doctors, as might be expected. The people who needed medical attention began to use the system once we had it. More recent data indicates that utilization rates are levelling off and, in fact, in most provinces the increase in the doctor supply has occurred more rapidly than the increase in the demand of the public for their services. The result is that in many provinces the number of services being rendered per doctor, on average, is going down, not going up. Furthermore, the rate of increase in medical costs since medicare has been rather less than it was for physicians' services prior to medicare. On an annual per capita basis, the rate of increase has been running, on average, almost one-third less than it was in the several years leading up to medicare.

A few weeks ago we were pleased and honoured to have Senator Edward Kennedy visit Canada for a look at this country's medicare system. At every meeting he drew to the attention of the American people, through Canadian journalists, what our system had achieved; the right for all Canadians to have good health care. He pointed out something that amazed Canadians wherever he went; that the cost of medical health service in the United States, although it is provided by the private sector, whereas ours is provided by the public sector, is greater as a percentage of gross national product than ours. The cost in the United States, as a proportion of gross national product is higher, at 8.3 per cent, whereas in our own country our medical care service accounts for less than 7.5 per cent of gross national product. So, the allegation that making the program available without charge to people would push up demand and push up costs beyond all reason was wrong. That is another example of how wrong critics of a program can be.

Throughout the world there is a tendency for utilization to increase at a modest rate from year to year because of technology, population shifts from rural to urban regions, and so on. We are experiencing that phenomenon in Canada, too; we see, after the first year or two in each province for which we have data to date that the initial spurt, as the poor are brought into the system, definitely levels off and utilization comes down to a relatively predictable rate of increase.

Medical spokesmen had predicted that the financial involvement of the patient at the time of service must be a feature of the program to protect the doctor and the public purse. What happened? Only one provincial medical care insurance plan tried this, Saskatchewan, which imposed a utilization fee on visits to the physician's office from 1968 to 1971. Prior to 1968, Saskatchewan had the lowest rate of cost increase and utilization increase in Canada. After they brought in the utilization fee, they had a drop in utilization the first year, following which utilization began to increase again but at a higher rate than ever before. In other words, there was a rebound phenomenon and for several years they had one of the highest rates of increase in the country.

The medical care program began nearly seven years ago; complete figures are available for the first six of those years. In five of those six years, costs turned out to be lower than estimated, as did the total for the six years.

An hon. Member: You are not defending this bill, Bob.

Mr. Kaplan: This experience should dispel the nonsense about the impossibility of escalating costs of a universal public program. Finally, it was commonly predicted in certain quarters that government-sponsored medical care insurance would be much more expensive than if health insurance were left to the commercial carriers. Nothing could be further from the truth. In 1972, the private insurance companies in the United States collected $25.7 billion in premiums and paid out only $21 billion of this. In other words, the consumer paid more than 20 per cent above the amount required for benefit payments. On the other hand, in Canada, in 1973, 97.7 cents of every dollar appropriated to medical and hospital care was paid out in benefits. Our state-operated system has been an efficient system.

The Leader of the Opposition (Mr. Stanfield), when criticizing medicare in Canada, stated that the federal government had imposed universal health insurance on the provinces against their will. He admitted that he was not premier of Nova Scotia when hospital insurance came in; possibly that is why he failed to recall that hospital insurance was implemented in Canada under the leadership of

the right hon. member for Prince Albert (Mr. Diefenbaker). Also, that is probably why he did not recall that the former premier of Ontario, the Hon. Leslie Frost, for one, insisted in 1955 that the subject of health insurance should be considered at the 1955 federal-provincial conference of first ministers. May I quote Mr. Frost's own words, spoken at a preliminary meeting when the agenda was being settled:

It is generally recognized that any health insurance plan of a broad nature should have both federal and provincial participation.

I also remind the Leader of the Opposition that the Medical Care Act was based on the recommendations of the royal commission on health services, the Hall Commission, which also had been established by the right hon. member for Prince Albert. This commission undertook the most detailed analysis ever undertaken of health services in Canada. When the Medical Care Act received third reading, only two members of parliament voted against the legislation. Both were defeated in the next election.

The hon. member stated that when he was provincial premier one of his concerns was that the federal government would pull out after the program had become established. I think that is a most remarkable interpretation of what the government is doing. How can one call this bill a pulling-out by the federal government from medicare? The federal government expects next year to contribute $124 million more toward the cost of provincial medical care plans than it will contribute this year. That represents a big increase in the size of this enormous program. In addition, we expect to be paying an additional $340 million or so toward the cost of provincial hospital plans which, incidentally, include the services of most of the radiologists and pathologists in this country. I cannot understand how members opposite can refer to such a tremendously increased contribution as being a cutback in any way, shape or form. I will come back to that in a moment.

We are accused of not having negotiated with provincial governments. In fact, negotiations regarding the revision of health insurance legislation and cost-sharing have been going on with the provinces more or less continuously since 1970. The provinces have long been aware that the federal government felt it was necessary to put some sort of cap on the open-endedness of our health programs. They were also aware before the 1975 budget that a commitment on their part to restrict higher cost services would be a condition of the federal government's sharing in any additional areas. These negotiations have not produced universal agreement on the continued increase in the medicare program, that is true; however, we must remember that it is very difficult to expect 11 governments to agree as to the specifics of any kind of program of restraint. To claim that we have not had any honest, open negotiation with the provinces is totally unfair.

● (1720)

I mentioned that controlling measures are needed, and controlling measures are being introduced. However, those tremendous increases that I referred to indicate that the proposed ceilings are not out of line with actual experience in recent years. Nor should there be any unfavourable effect on the quality of care provided or the level of coverage enjoyed by the people of Canada.

[Mr. Kaplan.]

Some fears have been expressed that the capping of federal contributions will have a relatively greater adverse effect on some provinces. This is not so during the period covered by the definitive ceilings. The capping applies to the national average per capita cost and not to the cost of individual provincial plans. The present characteristics of the Medical Care Act remain; contributions will continue to take into account the varying annual rates of population growth among provinces. The implicit equalization of the national average contribution will continue. The incentive to control costs in each province in order to increase relative federal contributions will remain. The resulting variable rate of federal share in provincial medical care costs will also remain.

Allow me to illustrate. This fiscal year, the national average per capita cost of medical care will be about $74, ranging from a low of about $50 in Newfoundland to a high of $84 in British Columbia. Of this, the federal government pays $37, or half of the national per capita cost. This means that Newfoundland recovers about 74 per cent of its costs from the federal contributions, while British Columbia recovers about 45 per cent of its cost. As a matter of interest, Nova Scotia currently gets about 45 per cent, New Brunswick 74 per cent, and Prince Edward Island 67 per cent. In 1976-77, the proposed ceiling will raise the per capita contributions by 13 per cent, from $37.50 to over $42. Next year, the range of provincial recoveries under medicare will again be from a high of around 74 per cent in two provinces to a low of about 44 per cent in the highest-cost province. Without ceilings, the cost-recovery range would be about 1 per cent higher on both ends.

Let me say again, the provinces that keep their costs below the national average, which includes the less affluent provinces, will continue to receive a larger proportional share of their costs than the provinces that are less careful about their costs. True, it all comes from the taxpayer, but the federal share comes from the whole country while the provincial share has to be raised locally.

One of the peculiar features of this debate has been the fact that opposition spokesmen have quoted many arguments which contradict each other. For example, while the hon. member for Athabasca (Mr. Yewchuk) and a number of other spokesmen for his party have pointed out that the costs of the medical care program have not been excessive, and indeed have declined in relation to gross national product, the hon. member for Oxford (Mr. Halliday) claims that the difficulties that led the government to introduce Bill C-68 were predicted by the medical profession and other opponents of the program some ten years ago.

I would challenge the hon. member for Oxford to show evidence that the opponents of universal medicare ever predicted that the costs of the program would be very much in line with estimates, that the doctor supply would increase at almost four times the rate of population growth following the introduction of medicare, or that there would be a need to restrict immigration of physicians from abroad in order to avoid an absolute oversupply despite a very marked expansion in the capacity of our own medical schools.

I must make it quite clear that the need for introducing Bill C-68 was not related to the cost experience of medicare in Canada since its introduction in 1968. Nowhere did the

opponents of universal medicare predict the situation of stagflation which exists throughout the world today, even in countries which have not introduced universal health insurance programs. Bill C-68 was only one of a number of very tough federal measures taken in the June, 1975, budget in an effort to deal with a very dangerous economic situation which was by no means limited to the health field alone.

While the provincial governments generally reacted negatively, and some very strongly, to the news of the original Bill C-68, one province in particular seemed to be particularly dismayed. This was Ontario which claimed that it would lose some $200 million in federal sharing over the next few years because of the original Bill C-68. In the Ontario budget which was announced before the anti-inflation program, it was estimated that medicare costs would rise in the three fiscal years 1976-77 to 1978-79 by 22.6 per cent, 20.7 per cent and 18.6 per cent respectively. The same province, it must be recalled, had during 1974-75 granted a 50 per cent increase in hospital nurses' salaries and another substantial increase was due to come in 1976.

The Leader of the Opposition and many of his supporters have emphasized his view that the federal action as represented in Bill C-68 was arbitrary and unilateral as well as without justification. Perhaps he is unaware that the minister of health of the province of which he was formally premier has repeatedly indicated at federal-provincial meetings and in discussions with the minister that one of the greatest problems that Nova Scotia has in the health field is caused by the wage, salary and fee settlements arrived at in the province of Ontario which lead to demands by the health workers in Nova Scotia for comparable treatment.

I must point out to the hon. gentleman that the wage and salary settlements in Ontario were taken without consultation either with the so-called federal partner or with other provinces. They were taken without any regard as to the effect that these settlements would have upon the costs of other provinces and the difficulties which those other provinces might experience in matching them. I feel confident that if the hon. gentleman were still premier of the province of Nova Scotia, he would feel very grateful for any measure taken by the federal government which might give pause to provinces such as Ontario before they rushed into fee, salary and wage increases which would increase the pressure on other provincial governments to match.

I might say that I understand that the combination of Bill C-68 and the anti-inflation program has lowered substantially the expectations of the Ontario Medical Association in respect of a fee increase this year and should have some effect upon wage and salary increases in the hospital field in Ontario as well. The hon. member claims that the provinces do not heed any additional incentive to save costs, but I think he would probably agree that some provinces have more incentive to save costs than others, and can find themselves considerably embarrassed by the actions of their fellow provinces.

● (1730)

I want to pause at this time, having replied to the more substantial points raised in criticism of the bill, and I look forward to the bill proceeding from here, perhaps today or hopefully tomorrow, into committee for consideration in detail.

Mr. Johnston: On a point of order, Mr. Speaker, I am sure the hon. member for York Centre (Mr. Kaplan) would not wish to have his not particularly tidy speech clouded by so gross an error as to suggest that the two members who voted against the original medicare bill had been defeated. The former member for Red Deer, Robert Thompson, was re-elected subsequent to that vote and served four more years in this House, not being defeated until 1972 when he contested the riding of Surrey-White Rock, where the work he did in that campaign contributed substantially to the election of the present hon. member for Surrey-White Rock (Mr. Friesen). I myself am here, rather living proof that the other member who voted against it has also subsequently been re-elected to this chamber. If that Statement was supposed to be any justification for the bill that is before us at the present time, I think it fails rather sadly.

Mr. Kaplan: Mr. Speaker, I am glad to acknowledge that the hon. member is here and living among us, but the point I wanted to make was that the party suffered that adopted opposition to medicare as their political philosophy.

Mr. Yewchuk: We are not debating medicare in this bill.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I want to repeat something I said in my remarks on the budget speech in the debate on July 2, 1975, because I think it is relevant to our thoughts on this bill so far as the Atlantic provinces are concerned. It is also relevant not only to the bill but in the context of the policies already enunciated by the government in other bills that affect the Atlantic region, as well as policies proposed for the future. The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan) tried to show how favourable this bill might be to the Atlantic region, but I want to put it in the total context of the government's policies as they affect the Atlantic region.

On that occasion of July 2, 1975, I mentioned that what I called, perhaps in too hyperbolic language, the other "economic crime" against the Atlantic region—though I still think there is some justification for such strong language—besides the relatively high increase in unemployment that the Atlantic provinces will get as a result of that budget planning for more national unemployment to fight the cost of living, there is farther down the road—I went on to say, as reported at page 7191 of *Hansard* for July 2, 1975:

> I refer, of course, to the proposed amendments to the Medical Care Act which came into force on July 1, 1968. We know that since then Ottawa has contributed half the national cost of medicare. It now intends to put a sliding ceiling on its contribution by limiting the federal increase, calculated on a per person basis, to 13 per cent next year, 10.5 per cent the following year, and 8.5 per cent in all subsequent years.

The Minister of National Health and Welfare (Mr. Lalonde) has now pulled in the reins a little bit so far as the figure of 8.5 per cent for all subsequent years is concerned, and has stopped at the ceiling of 13 per cent for this year and 10.5 per cent for 1977-78,

During the budget speech I also said that we were concerned about what the government intends to do with our national hospital care plan. I said:

Medical Care

Under the Hospital Insurance and Diagnostic Services Act of 1957, the government has also paid half the national cost of hospital care. The act requires that the federal government give five years' notice before renegotiating its agreements with the provinces. This government gave that notice during budget week. Why? Because it wants to do the same thing as with the Medical Care Act—place a ceiling on its commitment. As well, it announced it will reduce by 35 per cent its payments to the health resource fund.

The parliamentary leader of our party, in the debate on June 25, asked why these measures were being imposed upon the provinces unilaterally. The Parliamentary Secretary to the Minister of National Health and Welfare tried today to imply they were not imposed unilaterally because there have been discussions about them with the provinces over the last few years. Although we realize this, and also realize that in a federal state it is very difficult to get a consensus on many policies, the fact is that a substantial number of provincial ministers stated publicly, not privately, that they were imposed by the government unilaterally upon the provinces. I think only one province dissented from that view, or not so much dissented as kept silent, and we can suspect that this was for political reasons.

As our leader pointed out at that time, it will be very difficult for the poorer provinces to cope, even though the parliamentary secretary pointed out today that some of the measures may not appear to be so bad for the Atlantic region. I remind him—and I underline this—that put in the context of other policies already enacted by the government, as well as proposed policies that affect the Atlantic region, as a total package it will have very severe ramifications for the Atlantic region. I will try to show that, despite what he said, there will be a substantial probability that either the quality of medical care in the Atlantic region is going to be cut or the level of services will have to be cut down.

Alternatively, if we try to meet the increased costs, other necessary services for the people of these provinces will be severely affected, at a time when we are subject to an anti-inflation program which, whether designed to do so or not, will have a severe impact on employment in the Atlantic region. Indeed, the statistics are already coming in. If the parliamentary secretary would care to look at them he will discover that already the anti-inflation policy of the government is doing what we predicted it would in light of historical experience, namely, falling more heavily upon the people of the Atlantic region.

The other day the Newfoundland Premier, I would not want to say caused a near riot because that would be going too far, had to withdraw proposed increases in the cost of electricity in the province because the people of that area were so up in arms about them. Premier Hatfield of New Brunswick announced certain cutbacks on television the other night. The finance minister for Nova Scotia, Mr. Nicholson, also announced cutbacks which, coupled with the government's anti-inflation program, will bring about a 2 to 3 per cent increase in the rate of unemployment in the Atlantic region, in my opinion, over the next two years. Again, we are the ones who are going to feel the brunt of these policies most severely. Regardless of what is said by the Parliamentary Secretary to the Minister of National Health and Welfare about negotiations, these unilateral decisions are becoming a detriment within a federal state.

[Mr. Hogan.]

● (1740)

Among the things I am concerned about within the context of total policy, not only this policy which I will return to later, is the question of how this relates to the Atlantic region. I refer again to the anti-inflation policy. Time alone will show, and as mentioned it has begun to show already, not only that the anti-inflation policy will increase unemployment but will increase it most severely in the Atlantic region, and amongst all low income groups across the country. There is no possible way that these low income groups can even come close to anywhere near the minimum allowed under the anti-inflation bill. In regions like the Atlantic provinces they have no marketing power because they are, for the most part, unorganized. Only a small percentage of the Atlantic region as compared to the national average is organized. They have no marketing power when they live in a society which suffers from great unemployment.

The low income groups in unorganized areas must accept what the employers offer. For this reason they are going to fall far behind. For these reasons the people in the Atlantic region and in other low income areas of the country will suffer proportionately more from this anti-inflation policy, and there is no way out for them.

I criticized the last minister of finance and I criticize this minister and the government for emulating United States policy too closely and not looking closely enough at the economic policies of other western world countries such as West Germany, Austria, Sweden, and the Netherlands. Admittedly most western economies are in trouble, but the economies of those countries have kept far ahead of ours in the last five years, particularly with respect to their balance between the rate of unemployment and the rate of inflation. This government and the last minister of finance slavishly followed the dictates of the United States. We have not reached the unemployment rate which exists in the U.S. at the present time, but I predict that as a result of our present policies we will ensure a catching-up to theirs or close to it, this winter.

In addition to the anti-inflation program and the way it falls so much harder on the low-income groups, such as in the Atlantic region, I am concerned also about the effect of the present bill on the same low income group in the Atlantic region, with particular reference to the level of services and the quality of health care our governments will be in a position to offer.

I am also concerned about the changes to the Unemployment Insurance Act and the regressive nature of the premium tax. It will also have an adverse effect on low income regions such as ours. We know that regressive taxes hit the lower income groups proportionately harder than they hit other groups. Again I appeal to some of the more progressive thinkers on the other side. There are not many in the cabinet. There may be a few but they keep themselves well hidden. I have said three or four times in the House of Commons and elsewhere that, if we are going to make this structural change, we must change the regressive tax structure of our country which hurts the working poor and low income groups so severely.

The Minister of National Health and Welfare is meeting today with provincial welfare ministers to see how they can rationalize the welfare system of the country in order

to provide a decent guaranteed annual income to the low income and poverty levels in our economy. Here again, I repeat that if we are to effect a reasonable distribution of the wealth we must change our tax structure. While it is important to have a guaranteed annual income, unless we remove regressive taxes from our tax system we will never accomplish that fact of suitable redistribution. Those of you who will be here ten years from now will be facing the same difficulties we now face with respect to the lower income groups unless fundamental changes are made in our tax structure.

Some 20 per cent of the population is receiving about 4 per cent of the gross national product pie. This is the same bad situation that existed back in 1951, when that 20 per cent was receiving 4.4 per cent. I am sure there are people who are getting tired of hearing me and other members in this party repeat the same things over and over again. Those people suggest that we have forgotten about the changes which have been made in favour of the middle income groups. We have not forgotten those things, but we are concerned more about the low income groups.

Although I have little respect for the other place, I have a great deal of respect for some of the individuals who sit there. One of the more eminent ones, among a half a dozen or more, is Senator David Croll. He was appointed by one of the leaders of the party which sits opposite. He was head of the committee which studied poverty in Canada in 1971. Senator Croll said that unless we count down on regressive taxes such as property taxes, excise taxes, sales taxes, and other such taxes, these people will not change their relative position in our economy. He said this will be the case because our progressive income tax system has too many loopholes at the top and does not offset the regressivity of sales taxes and other forms of indirect taxes which fall so heavily on the poor.

Let me also refer to the proposed reduction in oil import subsidies, particularly as such a reduction would affect the Atlantic region. Someone will suggest I am jumping the gun because these reductions have not yet been announced. I have been told by people in Nova Scotia associated with the Liberal government, in relatively important positions, that they are running up against a stone wall in their opposition to this proposed reduction.

We are grateful for the import subsidies we have received along with all those east of the Ottawa Valley line. These import subsidies were designed to make up the difference between the cost of Canadian oil and the cost of imported oil on which we are so dependent. We are now told that by 1980 we will be faced with a fourfold increase in the cost of energy in the Atlantic region, because of the increase in the cost of foreign oil and the reduction in the subsidy. A province like Nova Scotia will be terribly crippled by such an increase unless something is done very quickly. Our industrial capacity in Nova Scotia in relation to that of other provinces in the Atlantic region is more substantial and such an increase in oil cost will have a relatively higher impact.

At the present time our area is faced with extremely high costs of electrical energy, and if the price of power oil is even to double in the next four years we will be in real trouble but the experts at a recent Atlantic Provinces Economic Council seminar projected a quadrupling of costs. This government can stop that.

● (1750)

Then again we have the reduction in the transportation subsidies that were imposed before Christmas. This will not help the Atlantic region in respect of markets in Central Canada at a time when we have high unemployment because of other government policies. This in fact will increase unemployment.

Finally, I wish to refer to the policy implicit in this legislation before us today. The Parliamentary Secretary to the Minister of Veterans Affairs (Mr. Railton) in this debate on Friday said that in Canada our main unserviced areas so far as medicare is concerned are on the frontiers. On this matter of medicare—and I could include hospital care but I shall not—may I say I come from a frontier area of Canada. In the industrial area of Cape Breton where we find 19 per cent or 20 per cent of the people of Nova Scotia there are not sufficient specialists. In spite of what the parliamentary secretary has said, if our people are to obtain expert treatment they must be placed on a plane in Sydney and flown to Halifax because there are no facilities in our area.

The federal government has not gotten together with the provinces in order to help such areas where there is slow growth, much chronic unemployment, and substantial density of population. It is no good to ask why the people do not leave the area, and sometimes we hear they have done this for years and years. They have gone to Toronto, and before central Canada was developed they went to Boston. They leave every year. However, they cannot all leave. Something must be done not only in the way of providing jobs as I shall be arguing again tonight during the adjournment debate, but also in terms of these services they are not receiving. Therefore I want to remind hon. members that when the Parliamentary Secretary to the Minister of Veterans Affairs talks about frontiers, there are frontiers other than those about which he speaks that are unservices so far as medical services are concerned.

If we talked about dental care I would point out that school nurses in my area tell me that the teeth of many of the children are almost as bad today as they were during the depression. I can tell you, having lived there during the depression, that many of us lost our second teeth between the ages of 12 and 13. That type of thing is occurring there because of the lack of facilities and dentists.

It was interesting to hear the Parliamentary Secretary to the Minister of National Health and Welfare talk about how the percentage of medicare costs in Canada was 7.5 per cent of the gross national product.

Mr. Kaplan: Less than 7 per cent.

Mr. Hogan: Yes. In fact it is 6.9 per cent and was 7.2 per cent the year before. One of the interesting things is to see how this member's remarks compare with the remarks of the Parliamentary Secretary to the Minister of Veterans Affairs who, on Friday, said that it is quite irresponsible to let total medical care costs absorb more than 6 per cent or 7 per cent of the gross national product which they now absorb. Who gives him the right to say that? If the funds are being spent efficiently and is providing effective

health care to the country, it may be the best expenditure of all; it may be far better than having increased spending for defence and some of the other nonsensical things such as consultants' fees and feasability studies in respect of Mirabel airport the costs of which are shocking to anyone who comes from the Atlantic region where people have to scrape and beg to obtain a few million dollars in order to keep certain programs going.

The parliamentary assistant to the minister of health spoke of the percentage of the gross national product spent in this way being 8.2 per cent in the United States. As I listened to him I said to myself that the hon. member was arguing against his own bill. I asked myself if it is the case that the Americans are spending 8.2 per cent, and Senator Kennedy comes up here to see how well we are doing when we have it down from 7.2 per cent to 6.9 per cent, why is there a necessity for introducing the ceiling?

Again I should like to refer to something the Parliamentary Secretary to the Minister of Veterans Affairs had to say. He said in this respect that one thing which worries doctors in Canada is the role of government in medicine. He went on to say:

> Our government has a tendency to point to the improving infant mortality and longevity tables as if it were due to medicare. However, these same improvements are present in the United States, where there is no universal medicare.

He does not agree with the assistant to the Minister of National Health and Welfare that things are done more efficiently through the public sector with regard to medicare. There is a series of articles now running in the New York *Times* from which he could learn if he read them.

I believe the United States ranks tenth or thirteenth in the world so far as infant mortality is concerned. Despite the well trained doctors and so on, they have a very inefficient way of delivering medical services. Relative to that point, of course, is the whole matter of the role of government today.

We know people are concerned about cutting down government expenditures today. It is the vogue now on the other side of the House. There is much scampering around to do this, because in respect of government expenditures they believe they must show themselves to be very responsible people. We have heard this again and again in the House, and we have read it in the newspapers. No one can argue against the control of government expenditures. But the main thing is not the level of government expenditures. Perhaps in the short run the rate of government expenditures has been a little too high, but the actual problem is in respect of the efficiency of government expenditures and whether there are built-in controls in order to protect the public purse.

One would think that by now the government which has been in power so long, especially in the post-war period, instead of waiting for the Auditor General in 1976 to come along and suggest types of controls to make expenditures more efficient and better suited to the needs of the Canadian people, would have done something about this. May I call it six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Turner (London East)): It being six o'clock I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Hogan: Mr. Speaker, before the supper adjournment I summarized the ways in which the legislation before us this evening goes back to the June budget, and I described it as seen through the eyes of a member of parliament from the Atlantic provinces. I suggested that although the provinces had been consulted, the ultimate decision was a unilateral one by the federal government. I tried to put this in the context not only of the bill before us but of the policies that have been enunciated by the government.

I suggested that this policy is detrimental to the development of the Atlantic region, and that it is not in the general interest of that area. This policy should be viewed not as a separate policy but in the context of other government policies and in combination with them.

I said that I think I will be proven correct when I say that the anti-inflation proposals of the government are affecting most the lower income groups, and since we in the Atlantic provinces have relatively more people on low incomes, the anti-inflation legislation will result in more unemployment and, what is just as bad, underemployment, which is never shown in official statistics. I went on to refer to the fact that if you take away the cost of living adjustment from the family allowance, as was done by the government before Christmas to meet some of the criticisms that were made regarding overspending in other fields, then it is the people in low income groups who will be hurt relatively more than people with high incomes. The same applies to unemployment insurance. I spoke about the legislation before us today in the context of the other policies I have mentioned, which are regressive and which hurt lower income groups proportionately more.

● (2010)

Everyone knows that if you are making $17,000 per year or $6,000, and if you are paying unemployment insurance premiums, you pay the same amount, and likewise with respect to the proposed reduction of oil import subsidies. The Atlantic region, especially Nova Scotia, is more vulnerable than any other province to the importation of oil, and the Atlantic Provinces Economic Council had a seminar recently in which it was projected that in just four years there will be a quadrupling of prices. I am told by prominent Liberals in Nova Scotia that the federal government is not going to increase the subsidy or hold it at the same level. Again proportionately, we in the Atlantic region will pay a higher cost, a higher penalty, for this national policy. We are used to doing this through tariff policies in the past, which excluded us from the potential Central Canadian market, prevented us from building a manufacturing base in our region, and made us more dependent on transfer payments, unemployment insurance, and all the other things than the rest of Canada.

I said that the reduction of transportation subsidies announced by the government before Christmas was another left hook, as it were, to the ribs or to the underbelly of the Atlantic region. I said that if all this were put into the context of the policy we have before us enunciated in this legislation today, all of these combined with this legislation, which was undertaken unilaterally, that means

that the Atlantic provinces will be hurt even more. Despite what the Parliamentary Secretary to the Minister of National Health and Welfare said, the quality and level of medical care in the Atlantic region will go down unless there is a change, and we cannot hope for one in this legislation.

I also tried to bring out the contrast between what the Parliamentary Secretary to the Minister of Veterans Affairs said on Friday and what the Parliamentary Secretary to the Minister of National Health and Welfare said about this legislation. One was saying that we have a relatively low infant mortality rate, but he said that the same thing is happening in the United States without universal medical care, and that therefore the system under private enterprise in the United States is just as efficient as ours. As hon. members know, 8.3 per cent of the GNP in the United States goes to medical care, while here, as the parliamentary secretary admitted, the figure is only 6.9 per cent. That is a reduction from last year of 7.2 per cent. Before the recess I was asking why it is necessary to impose a ceiling in light of these facts. Talking about this comparison, the Parliamentary Secretary to the Minister of Veterans Affairs said that the private system of the United States as against the public system in Canada, which was inaugurated by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) when he was head of the government in Saskatchewan—and we are glad to see that the federal government picked it up—is more efficient, or just as efficient as our Publicly controlled system.

I wish to make some comments about government expenditures generally, about the efficiency of the public sector as opposed to the private sector, and then to relate it to some of the shortcomings of medical health care in Canada and why I think the government is now anxious to put a ceiling on it. This is very topical, and there is much being written about and discussed with regard to the pros and cons of government expenditures, the level of government expenditures, and the rate of government expenditures. When I have been in the House hon. members opposite have never adequately defended their own federal government's expenditures in the light of the increase in provincial and municipal government expenditures in the 1970's. They have allowed themselves to be clobbered over certain things that were probably outstanding, some of which I mentioned myself. By and large they have never made an adequate defence of the government expenditures which have done so much good in the public sector and have done so much to improve the economy over the last 20 or 25 years.

With regard to medicare I should like to refer to a statement made recently comparing the public sector with the private sector. The statement was made by Professor Jack Weldon of McGill University, a very well respected economist in Canada. I apologize that I cannot put a date on the article, but I read it in the Toronto *Star* and shoved it into my pocket. Fortunately today I came across it, and it reads as follows:

The government is providing public goods which, if they passed through the market place, would be badly provided.

If the Prime Minister (Mr. Trudeau) had read this article before he gave his speech before the Canadian Club he would have been much more sophisticated in his approach.

There is a whole range of pretensions in our style of living which is going to ensure the growth of government, quite apart from ideology.

Professor Weldon also said:

You can't run a police force through the market system efficiently, or an art gallery; and the roads can't all have tollgates.

The government does things best where one person's actions affect another man. The market is best in many things where it affects you but not the rest of society.

Some of the right wingers in the Tory Party running for leadership should be here to listen to some of this. Professor Weldon talks of education, and he should know because he is involved with education, just as I have been; we all know it is one of the most subsidized industries in Canada, but that's a healthy thing. Professor Weldon said:

Take education. In an educated society, the education of the individual confers benefits on the whole of society. That is why traditionally one of the first things a developing society does is to provide free education.

Take the field of health. It would be absurd to let the market look after vaccination. The rich people couldn't ensure their health just by having medical services for themselves, because the diseases of the poor wouldn't spare those with money. They have to get rid of the rats and fleas of the poor to spare themselves from bubonic plague.

The real problem isn't so much that government grows: on the contrary that is inevitable, and it's silly to call it bad. The real problem is that the apparatus for controlling the efficiency of government and its ability to make decisions is terribly lacking.

That is the point I was making just before the dinner recess.

We have a 1900-style government running a 1975-style public sector.

We are probably wasting 30 to 40 per cent of our medical resources because they didn't change the structure of the industry when they introduced medicare.

In closing, Mr. Speaker, I wish to quote Geoffrey Stevens of the *Globe and Mail* and to remind hon. members opposite of the following:

Yes, medical and hospital insurance are expensive. Yes, there are people who abuse unemployment insurance and health insurance. Yes, it is important to control costs as tightly as possible.

But is the government really controlling costs? Or is it merely shifting the burden—in the case of unemployment insurance, directly to premium-paying workers and their employers; in the case of health insurance, to the provinces. The provinces will do what they can to economize, but in the end they will have to pass the burden on to the public—in the form of inferior health care, higher premiums or deterrent fees.

That is going to happen in the Atlantic region under this legislation.

Liberal governments have given Canada a social welfare system to be proud of.

We on this side and our predecessors were the originators of that, and we are glad Liberal governments copied it. Now the government wants to stop it.

It's been money well spent (says Stevens). Now a Liberal government is trying to limit its liability. It's immoral.

To which I say, appropriately, Amen.

Some hon. Members: Hear, hear!

● (2020)

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, this is a very important bill and it has become quite a controversial one as well because we are into the fourth day of debate. When I first read the bill I thought it

showed a very peculiar priority to cut down on grants for medical care. I meet with many doctors and people from medical faculties and listen to their problems. It seems that the Liberal government is leading us into an era of cutbacks on medicare.

This afternoon the parliamentary secretary said there have been many accusations levelled against the bill but, Mr. Speaker, when it was first announced in the budget of June, 1975, that was done without any consultation with the provinces. Normally a bill of this type would only have two or three people speaking on it, but this bill obviously has aroused very great concern. I should like to suggest that it be withdrawn until there has been further consultation with the provinces.

The parliamentary secretary challenged the remarks of some hon. members who have already spoken, and offered us statistics. But at times he was really not on track, and subsequent speakers have corrected his statements. He suggested that in the past members had been defeated because they voted against the original act. I know that the hon. parliamentary secretary was once defeated, so I wonder which bill he voted against.

Mr. Guay (St. Boniface): You will never know; he is not going to tell you.

Mr. McKenzie: We will find out. It is not very often that the Leader of the Official Opposition (Mr. Stanfield) becomes involved in this type of debate, so when he does it is with good reason, and I shall cover that in a moment.

Another former provincial premier, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), also spoke against the bill, so I think more thought has been given to the subject by this side of the House than by hon. members opposite.

Mr. Guay (St. Boniface): You cannot see very far, that is why.

Mr. McKenzie: I can see. I only need glasses to read with. I can see through you.

I think it is fair to say that most members of this House agree the government should take action to keep health care costs down to a satisfactory level. When the federal government is dealing with the provinces and discussing legal and binding federal-provincial agreements it should remember that changes in this agreement should be made through a process of negotiation with the provinces. Instead we have had what amounts to a unilateral and arbitrary withdrawal from the commitment made to the provinces—which was against the will of the provinces in the first place.

This was stated very well by the Leader of the Official Opposition in his speech to the House last Friday. He pointed out that the federal government was unilaterally and arbitrarily trying to alter the 50-50 cost-sharing formula set out in the present legislation. He made his point in strong language, and when the Leader of the Official Opposition uses that kind of language I suggest hon. members opposite had better sit up and listen. He is an honest man and does not make such statements without justification. He said that this conduct is shabby and treacherous, and that the rules of parliament really prevented him from saying what he thought of the minister and his colleagues.

He pointed out that when he was premier of Nova Scotia he was concerned that the federal government would get the program under way, ministers would go around the country pounding their chests, and then later pull out of the program. I have heard this sort of complaint in other provinces at the municipal level. It is one of the specialties of the Liberals to get municipalities and provinces into these programs and then withdraw. As the Leader of the Opposition said, that is precisely what happened.

When the federal government was negotiating health care with the provinces it insisted upon the 50-50 formula if it was going to participate. As the Leader of the opposition said, the federal government imposed this plan on the provinces. He stated that while he was not involved in the negotiation of the plan he knew it was dictated by the government of the day. He said, "Surely treachery is not too strong a word to use", adding that the Minister of National Health and Welfare (Mr. Lalonde) had not justified the federal spending limits and they were not related in any way to inflation costs and spending increases.

This ties in with the concern of universities and faculties of medicine involved in research. We are now receiving mail from them, so it looks as if medical research is not a priority of the government. We cannot ignore the letters and statements received from these professional people. I do not think they exaggerate, but state their case very well.

Because the budget of the Medical Research Council is already so small, because it has not kept pace with inflation in the cost of research for some years, and because it supports a very high percentage of all medical research in Canada, the budget freeze will cause inordinate damage to Canadian medicine. Medical research is a prerequisite to good medical teaching and is basic to medical practice and the delivery of health care. The development of young teacher-scientists and of clinicians with skill in investigative medicine must remain a high priority for a government interested in the future welfare of the Canadian people.

Here we have the provinces, doctors, and the faculties of medicine in different universities all in a quandry in regard to cutting off grants to research and different medical plans across the country. Canadian researchers are in general agreement that government spending must be controlled. They do not ask for special treatment, but only that the guidelines of limited increases be applied to extramural research as they are to all government efforts.

The Official Opposition has pointed to a number of areas where excessive government spending can be cut. There was an excellent article in the *Financial Post* two or three weeks ago which named a dozen government corporations that could be phased out. Another example is Information Canada. It took about four years for the government to waken up and realize that Information Canada was not a priority. Dropping it means a saving of $6 million which is just a drop in the bucket, but when it started out we said that expenditure was unnecessary.

I should like to emphasize the disastrous effects of the freeze in medical research funding. While I fully recognize

the need for an aggressive and equitable federal policy of wage and price controls to combat inflation through economic restraints to be borne by all Canadians, I genuinely believe that the recent decision of the federal government to freeze the funding of medical research at the 1975-76 level would result in grave and lasting damage to the research establishments in our medical schools and hospitals. The main source of funding for health research in Canada, which is essential for the welfare of the nation, is the federal government through the Medical Research Council. This funding has amounted to less than $50 million for 1975-76.

● (2030)

In recent years the progressive slowdown in funding, well below the increasing cost of living index, has had a gradual eroding effect on medical research activities, resulting in the phasing out of some programs with a concomitant decrease in the number of clinical research trainees and of employment opportunities for highly qualified research technicians. The recent decision to freeze research budgets for 1976-77, that is, not to provide even a 10 per cent increase which is permissible within the anti-inflation guidelines, will result in further elimination of some programs which are vital to the maintenance of our health care standards, in mass lay-offs of specialized technicians who have been trained at great cost to the Canadian taxpayer, and in the migration of some of our best clinical investigators, particularly among the young ones, to the United States.

The parliamentary secretary mentioned the great influx of doctors to Canada; but, as the hon. member for Cape Breton-East Richmond (Mr. Hogan) said, in certain areas of Nova Scotia people cannot get a doctor. We face the same situation in Manitoba. I hear all the time of people being flown into Winnipeg from the north, because there are no doctors up north. I heard this was also the situation in Saskatchewan. There might be an influx of doctors to this country, but in some areas there are no doctors. Although the parliamentary secretary might be correct in saying that there has been an influx of doctors into this country, his statement covers only part of the picture and does not deal with the medical care problems encountered by many Canadians.

It must be emphasized that about 66 per cent of the budget allocated for medical research is used to generate technical jobs and to provide salaries to graduate students and post doctoral trainees. Without a continuous presence of these people there can be no research program. The research capability of a country in any given area of science—like that of any other human activity, including sports and the arts, necessitating the continuous nurturing of certain talents—is not developed overnight. It takes from 12 to 15 years to build up cadres of competent scientists and this can be achieved only in an appropriately developed milieu. By contrast, it takes very little to destroy productive groups of competent research workers and to dismantle the training centres for our future generations of scientists.

I have talked to research people who are very concerned. They train young people, begin a program, and then find that funds are cut off. Some of them are involved with intricate medical research, to do with the liver, heart, and other organs. They find the cutbacks most distressing as, in most cases, they are making progress. I have spoken to some of them. I say, "Are you watching your budget, and the expenditures of your program in general?" Many tell me that they do not need fancy buildings most governments, including provincial governments, are erecting; they could make do with temporary buildings and do not need the marble Taj Mahals governments like to build. The parliamentary secretary could bring their thinking to the attention of the minister.

The maintenance of our health care industry, which is based on a highly sophisticated technology and comprises all the medical and hospital services, amounts to $2,628 billion for 1975-76. In line with accepted practice for any other efficient industry based on continuous innovation, at least 5 per cent of this amount, $131 million, ought to be provided for research in the health care industry.

While we do not advocate the increase of the research budget from $50 million to this level under today's economic circumstances, we believe that sound business judgment requires that the federal government reconsider its decision to cut back its support of medical research. The infusion of an additional sum of the order of between $5 million and $10 million at this critical time is most essential to prevent some of the research programs from grinding virtually to a standstill in the coming years. I am sure that we could find between $5 million and $10 million in the Department of Public Works. It would mean one less skyscraper going up to house another government department.

I think medical research should be given a far higher priority than some of the programs undertaken by the federal Department of Public Works. An example which comes readily to mind is the Bank of Canada building not far from the House of Commons. The government erected just about the most expensive type of building it was possible to put up. It will cost a fortune to heat and a fortune to cool and, as far as I am concerned, represents a waste of money.

Both parliament and the Canadian public must continue to encourage the efforts of the dedicated and idealistic biomedical scientists and technicians in their attempts to unravel the intricate mechanisms responsible for some of the crippling diseases. Without this knowledge, there is no chance for developing better and more economical treatment. In biomedical research one is confronted with some of the most complex mysteries of nature, and no government committee can provide any lead to follow, much less the answers. For work of this nature we are totally dependent on the insight and imagination of our research workers and young trainees.

I suggest to the parliamentary secretary that we need to do much research in connection with certain operations. For example, it is possible to perform an operation with regard to lung cancer. The operation may be a great success but the patient dies of infection or pneumonia. In Winnipeg a limited amount of research has been done into this problem. Our research people are concerned about such problems. The operations involved are expensive. It takes a tremendous staff to care for an individual who has undergone lung surgery, but patients die of pneumonia or

infection. Research in this type of field is of top priority, so far as I am concerned.

It is absolutely essential to the success of our biomedical research that we provide for our brightest young people the appropriate milieu to develop their talents; these are among the best dollars we can spend in terms of the value received. Clearly no investment in research can be expected to yield its full harvest by an on again and off again policy. This sort of policy worries medical people. They begin a program, secure staff, and then discover that funds are to be cut back or cut off. I cannot think of anything more frustrating to those involved in research. Such a policy puts the whole research establishment in a state of chaos and does not allow for long-term planning.

Neither parliament nor the Canadian public can expect to reap the promising harvest of medical research by discouraging potential research workers from entering a research career, when the continuance of research activities by existing medical scientists is being threatened.

Thus there is an urgent need to increase the funding of medical research in order to salvage some of the valuable and essential ongoing research activities. Without these additional funds, projects which are considered worth while by the expert consultants of the Medical Research Council will be terminated before their completion, and many research laboratories will close down entirely.

For the past several years biomedical research in Canada has been operating in an environment of continuous crisis. The crisis results from a level of financial support inadequate to meet rising costs and from the failure of government to realize that research units can remain productive only when investigators are assured of some degree of stable, continuous funding. How can the parliamentary secretary say anything to the contrary? I should like to hear some explanation from him if he thinks he can counter that statement.

The result of inadequate funding on research in Canada have been disastrous: a large percentage of researchers are without funds; most laboratories have been forced to reduce personnel and activity drastically; morale among investigators is being continuously depressed; few young people are choosing research as a career. Efficient research cannot be performed when the availability of an investigator's tools and assistants is being constantly reduced. Indeed most researchers are beginning to wonder whether or not they will have the resources, from one year to the next, to continue in the work for which they have been trained and to which they have dedicated their careers.

● (2040)

Most biomedical research in Canada is supported by the federal government. The current annual budget of the Medical Research Council is less than $50 million, approximately equivalent to the operating budgets of two large metropolitan hospitals. Annual support over the past several years has failed to keep pace with inflation. The result has been a progressive decline in the number of laboratories engaged in research and in the level of research activity by investigators who do have support. And yet the budget for the next fiscal year will be frozen at last year's level, thereby not even approaching the inflationary guidelines recently established by the government.

[Mr. McKenzie.]

From a purely practical aspect it should be pointed out that most of these grant funds are used to employ people; individuals who gain skills and competence at a high level. Adequate funding of research could, if nothing else, provide stable, long-term, and more rationally directed employment than do the greater resources available, for example, from certain federal make-work programs.

Medical research should be regarded in the same light as other highly creative fields essential to establishing national identity and fulfillment. Equally important is the fact that the calibre of biomedical research activity inevitably determines the quality of health care. Biomedical research has already contributed much to the betterment of society. From a practical cost-benefit analysis alone, biomedical research is a good investment. In addition to the alleviation of human misery, billions of dollars have been saved over the years in medical services and in earning power of afflicted individuals. Consider only a few of the past accomplishment in areas such as poliomyelitis, tuberculosis, measles and other childhood diseases, Rh disease, viral hepatitis, kidney transplantation, hemophilia, retrolental fibroplasia blindness, Parkinson's disease, the Pap smear, and the identification of many genetic defects.

Our present society has an obligation to provide continuity in the search for knowledge and the fight against disease, because future generations will inherit our failures as well as our achievements.

As I said earlier, I have met with these medical people. I am not just going to take a blanket statement from them that they are spending all their dollars wisely. I put this to them on a number of occasions. They assured me that they are watching their budget and spending their dollars wisely. I do not know if the parliamentary secretary has met with any of these little groups in the area of Toronto he represents. If not, I suggest that he meet with some of them, question them, and look at their facilities.

Mr. Kaplan: That has nothing to do with this bill.

Mr. McKenzie: Medical research is a concern all across this country. We are receiving letters of complaint from the provinces and the universities. This is a package deal. We want to know where the priorities are. That is why I raise this tonight. It cannot be sloughed off because it is part of the bill.

I do not know whether the parliamentary secretary has had any of this type of illness in his family. I have. It is the sort of thing that alerts you. Possibly his family has been most fortunate. Maybe he has not been to hospitals and has not met with these people who are doing research. It does not sound like it.

When I first started, I did not want just to run here asking for more grants. I asked to meet with these people and to see their facilities. I questioned them in detail. I have been back a number of times. They presented a very good case to me. Apparently the parliamentary secretary has not spent any time with them. If so, I would like to hear what he thinks about the case they presented.

I have met with some representatives of the provinces and two former premiers of provinces who are speaking out against this bill. They are not doing that because they have nothing better to do. This is why I suggest that the

bill be withdrawn and that the government take another look at it. We have some serious problems. I am getting a little wound up, Mr. Speaker, so I will conclude.

The hon. member for St. Boniface (Mr. Guay) has a very important hospital in his constituency, St. Boniface Hospital. It has been there for over 100 years. I am sure they will be very disappointed to learn that he will be voting against increased grants and this sort of thing. I get letters from St. Boniface Hospital too.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. The hon. member for Winnipeg South Centre (Mr. McKenzie) is, as usual, making broad statements that he cannot substantiate. He has not done what we asked him to do with regard to transport. Neither will he do so for the St. Boniface Hospital.

Mr. McKenzie: The hon. member's answer clarifies that point of order. It is a point of nothing.

The infusion of an additional sum of the order of $5 million to $10 million at this critical time is most essential to prevent some of the research programs of entire groups from grinding to a standstill.

I hope the parliamentary secretary will take note of my remarks this evening, give serious consideration to withdrawing this bill, and enter into further discussion with the provinces and universities. He has made a note of it.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, many members have already spoken. I certainly do not wish to be redundant and cover this bill several times. Most of us agree that through our two major national health schemes we experience comprehensive coverage which is available to everyone in Canada. I do not believe the coverage is an issue, but the cost certainly is.

Hospital costs accelerated 25 per cent in the last fiscal year, and according to estimates will accelerate another 20 per cent during the current fiscal year. I ask the House to consider 45 per cent in two years. In my opinion that is a very large increase, one that we cannot expect to have year by year and keep our budget in reasonable form.

You do not have to be a mathematical genius to comprehend that changes are required to keep these costs from swallowing up our entire federal budget. We must also consider our partners in the provincial form of government because they too cannot afford these accelerating costs.

The question is not whether a change is required, but what form that change will be. The government has proposed ceilings on the rate of growth of the federal per capita medicare contributions over the next few years. The minister has said he will make accommodations over the next two years. The increase for 1976-77 will be 13.5 per cent and, in 1977-78, 10.5 per cent. That will give a breathing period to come to some sort of agreement with the provinces in order that we can have a rational system.

● (2050)

I do not wish to belabour the arguments for or against the proposal of the minister; what I should like to contribute to the debate, if possible, are some positive recommendations, not on how to share health costs with the provinces but on how we may cut down cost not only for the federal government but for the provinces as well. I think we should zero in on preventive, new methods for getting Canadians to be health conscious at an early age.

I think it is a fair statement that more adult Canadians spend more time on their cars than on their health. I believe that the educational job we are doing in our society on the subject of health and its problems can only be described as second rate. I refer to teaching people about things like drugs, alcoholism, smoking, and the improper use of foods which we know are detrimental to our health.

Let me give the House an example. We all realize that grain is a very nutritious part of our diet. But what do we do with it, Mr. Speaker? We coat it with sugar, advertise it like mad, and end up with a product that is actually detrimental to the health mainly of our children.

The hon. member from Winnipeg who spoke just prior to me talked about scientific research and the need for more money for such research. May I suggest to the House that we have done the scientific research. We know, for example, that sugar in its refined form is detrimental to our health. We do not require any more research on that subject. What we need is to follow up the research we have already done. If we were to do so, I am sure the health of this nation would improve to a very considerable extent.

The key to any new approach to good health in Canada is education, and that education starts, of course, with our children. We have one of the most sophisticated communication networks in the world. Besides television, films, and graphics we have the means to implement a health conscious approach not only in our children but in the whole spectrum of Canadian society.

Yet what are we members of parliament doing in this regard? In this debate we are arguing about how we are going to share health costs. That is the same sort of argument that we had during the inflation debate. When we brought in the anti-inflation board legislation we realized it was not the cure-all but a stop-gap. As with the anti-inflation board and the guidelines, what we have to do during the next two or three years is to find some permanent solutions.

I do not feel that we have addressed the problem we are facing in Canada of mounting health costs. It is not a question of how these costs are to be distributed or whether we can carry on for the next 20 or 30 years with escalating costs; it is a question of what we are going to do as Canadians about the various food substances, for example, that contribute to bad health. We know that honey is a much better substitute for sugar. The trouble is, we do absolutely nothing with this information. I believe the Minister of National Health and Welfare (Mr. Lalonde) has a very important job to do in making sure that this information is brought to light in its most cogent form. In the same way the provincial governments and, if I may say so, the medical profession and the teachers also have an important role to play.

Being from the province of British Columbia I should now like to touch on a subject very dear to my heart, namely, damage done to our health by drugs such as heroin. We know that heroin is a very dangerous drug, yet all we hear are pious sermons about why we should not take such a drug, about its evils and ravages. What we

should do is to get down to the nub of the matter and take people to see drug addicts in hospitals. Are children in their most formative years, children in junior high school or in high school when impressions that are made last a long time, taken to alcoholic or cancer wards to see the ravages of alcohol or smoking? I think that is not the case. Is this too sensitive a subject for these children? Must they only be shown film slides illustrating that drugs, smoking, and so on are bad for health, or should we not be actually bringing them into contact with those people who suffer from the ravages of smoking? I am sure this would be a much more intelligent way of addressing ourselves to the problem.

As I have said, Mr. Speaker, the solution to the problem is education, not only of our younger people, which is where basically we must put our emphasis, but of all segments of our society. I do not think members of parliament are keenly aware of the benefits of exercise and of what lack of exercise does to one's heart. Perhaps I can have the finger pointed at me because this is not one of my strong points. But my point is that we are deviating from the true course by not using the information that we have already obtained. I think it is fruitless to continue more and more scientific research; we must start to apply some of the things we have already learned. Until somebody shows me that we are ready to use the knowledge we already have, I despair at pouring more and more millions of dollars into research.

Mr. Benjamin: Hogwash.

Mr. Anderson: This seems to me to be pouring money down the drain with no return. The hon. member opposite says that is hogwash. I defy him to give an example of where we have used the information we already have in regard to some of the more important aspects of health that give us cause to despair in society. I do not think we are using one-tenth of that knowledge, and I defy the hon. member to contradict me.

Mr. Benjamin: We don't have the money for it, that is why.

Mr. Anderson: The hon. member says we do not have the money for it. I do not think we need any more money to tell us that we need a substitute for refined sugar. Obviously the hon. member is either not thinking, or perhaps being facetious and suggesting the government should spend more money.

The point I want to get across in this debate is that we should put the emphasis where the emphasis should be, not on squabbling between political parties as to where the money should be spent and how it should be shared, each year looking for more and more money to take out of taxpayers' pockets. What we should do to create a better, healthy climate for Canadians is to start educating our children, and work our way through society.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the hon. member for Comox-Alberni (Mr. Anderson) a few moments ago called this debate squabbling between political parties.

Mr. Symes: How would he know?

[Mr. Anderson.]

Mr. Baker (Grenville-Carleton): I don't know how he would know, but let me say to the hon. member for Comox-Alberni, through you, Mr. Speaker, that there is a greater issue at stake than mere squabbling. In this bill we are debating a fundamental reversal of a policy that was implemented with hope over a number of years by a government headed by a former prime minister, now dead, on the basis that there would be equal supply of medical care to the people of this country, regardless of what area of the country in which they lived.

● (2100)

Mr. Blais: How has that changed?

Mr. Baker (Grenville-Carleton): If the hon. member for Nipissing (Mr. Blais) will stay quiet for a minute, or go back to sleep, I will wake him up when I come to that point in my speech. That was a principle of the late Lester B. Pearson, that there would be some measure of equality of medical care across this country.

What we have now in this bill is an arbitrary, unilateral approach to health care in Canada. This is much more than just merely a change of burden in the cost-sharing of medical care across this country, although that is a part of it. What is happening as a result of this bill is a fundamental change in direction. What is happening is that the government unilaterally, without consultation, has decided to make a change in a program which in the first place was urged, cajoled, pushed, and kicked on to the provinces. The provinces, having accepted the program based hopefully on some principle of equity, are now faced with this government pulling the rug from under them and the provincial taxpayers. The government is shifting the burden to those provinces and off its own back, all in the name of restraint.

I begin to wonder sometimes where in the name of restraint the criteria are to be found. What rationale is behind this red-pencilling of projects? This is a very serious thing when it deals with established services of government and what, in the present philosophy of our times, was meant to protect people against those accidents of life over which they have no control. That is the essence of medical care.

Certainly, as the hon. member for Comox-Alberni says, there ought to be some emphasis on preventive measures and there ought to be emphasis on scientific research, but how can the people of this country, and how can the provincial governments, believe the hon. member for Comox-Alberni when he stands behind and supports a Minister of National Health and Welfare (Mr. Lalonde), who has acted in a way described by the Leader of the Opposition (Mr. Stanfield) as treacherous as far as the provinces are concerned?

The key is, of course, education in the long run, but we are not talking about just the long run. We are talking about provinces that have built their medical delivery systems on the basis of a program which was urged upon them by the federal government.

The minister says this bill is designed to give some incentive to the lowering of medical care costs. With all respect to the minister, that is pure sophistry. The provinces are striving in any event without this program to lower medical costs. If you go across this country from

province to province, what will you see? You will see that the public is in an uproar because governments have decided to close hospitals. You will see the public in an uproar because governments have decided to limit what they have been led to accept in terms of over-all care.

Some provinces are considering pharmacare and have been discussing it, and some provinces are considering dental care and are considering that. They now say no because of the difficulties they face in financing these programs. They cannot go ahead with these things. Even existing facilities and services are being cut.

The provinces need no incentive to restrain costs. That is exactly what they have been doing. What happens as a result of this bill is pure and simply the placing of a ceiling on the federal government's contribution. This is not a ceiling on the cost of delivering medical care to Canadians, it is merely placing a ceiling on the federal government's contribution to it. That is the treachery the Leader of the Opposition spoke about last week.

What the government is doing is placing the great burden of cost on the backs of the sick, who are not voluntarily sick. The government is placing the burden on those people who are least able to afford it. What the government is doing by this unilateral change is placing a heavier and heavier burden on the provinces which are least able to maintain a standard of medical care without a generous federal contribution. Hon. members over there can shake their heads, but that is what the government is doing. I think it is the duty of members in this House, not just those on this side but on the other side as well, not merely to arise and shalom toward the Minister of National Health, but to think about this from the point of view of the costs which the government is shifting to the shoulders of the constituents they represent.

Hon. members opposite have the right to speak in this House, and the right to speak freely, and I hope they will enter this debate in that vein as it continues. I hope they will, as the hon. member for Winnipeg North Centre (Mr. Knowles) suggests, ask the minister to reconsider the position he has taken in this bill, a position which has been universally condemned by every provincial minister of health in this country except one.

What is the alternative to this situation? There is only so much retrenchment that can occur from the point of view of the delivery of medical services. There is only so much that can be done in terms of cost saving. There can certainly be a lessening of the increase in fees and in the increase in salaries and wages. There are only so many hospitals, clinics, and other facilities which can be closed. There are only so many urgent problems which can be overlooked. Somewhere along the way something has to give.

An hon. member who spoke earlier asked some important questions. He asked what the provinces are supposed to do. Are they supposed to raise sales taxes, or are they supposed to increase land taxes? Is there to be a fee attached for services under this program? Is there to be a return to the iniquitous per capita tax?

In some way or another services in respect of medical care must be provided, at least to a certain level. In some way we have to continue research programs which have been started with so much hope and which will have so many benefits in the short and in the long run. Certainly the only alternative then to the provinces and, therefore, to the people of the country, is a cutback on medical services, a cutback in the provision of such services, a shifting of some very important plans in terms of improved medical services. What is going to be the result of this?

During the dinner recess I read the speech of the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan). He mentioned certain myths that he and everyone thought would occur but which had not occurred, including a drying up of the source of doctors. These things did not occur as a result of the implementation of this plan, of that government of Lester B. Pearson. Of course these things did not occur. But they are not in issue. What is in issue is what will be the result of this bill in respect of medical care in Canada.

In his speech the parliamentary secretary spoke in glowing terms of the visit to Canada of that great humanitarian, Senator Edward Kennedy. The Senator said when he was here that we had one of the greatest health delivery systems in the world. He was right, and we did. It is a health care delivery system which has generally been accepted by Canadians as such, and accepted throughout the world as an example, but I wager with the parliamentary secretary that the government House leader and the Minister of National Health and Welfare did not disclose to Senator Edward Kennedy the existence of Bill C-68 on the order paper of the House of Commons. I would wager that, if they had, that great humanitarian would think much differently about the federal government's program which he extolled in such complimentary terms when he was here.

● (2110)

The fact of the matter is that the essence of the delivery system will be fundamentally affected by this bill. How can it be otherwise; how can the government say to the people of Canada and to the provinces of Canada—and particularly the provinces which are doing their best to cut back—that notwithstanding inflation which we cannot control, and notwithstanding the fact that it is realized that in certain areas the government is prepared to compensate for inflation, or is prepared in settlements one way or another to compensate the working people for inflation—how can it in the same breath and perhaps from the other side of its mouth say it is prepared to cut back on medical expenses? That is the inequity in this bill, plus the fact that the rug is pulled out from under the people of Canada.

That is the reason why we in the opposition must use the only weapon we have in this House, which is to expose the government again and again and again for what is is in terms of this kind of program, a government devoted to turning around and cutting down its whole thrust, a government which fails to consult at all and which goes in the face of its co-partners, namely, the provinces, in respect of their wishes, as has been set forth so ably by the hon. member for Athabasca (Mr. Yewchuk) and the Leader of the Opposition.

Treachery is a mild word for what this bill means. When the minister spoke in the debate he made a great play about his concessions. I would not trust the government, in

view of this legislation, with any concessions for any period of time. If there is any piece of legislation with which we have dealt in the first session of the Thirtieth Parliament which has indicated the insensitivity of the government better than has this Bill C-68, then I am not sure whether or not I could find it. This is evidence of its insensitivity to a very important government service, a service which at one time was completely paid for either by those who could pay, or by doctors or by other professional people who gave their service. This has been held by us all to be so important that there should be national standards set for it and that it should be paid for out of the national revenue. Now the government has decided to shift the burden.

An hon. member at the beginning of this debating period at eight o'clock said that the government had decided to shift the burden so that it will fall heaviest on those who can least afford it in terms of curtailed service, and to the provinces and parts of Canada which can least afford it in terms of the share of the national wealth of the country.

The matters leading up to this bill are important not only from the point of view of the delivery of service but also are important to the whole question of our confederation. This government has damaged Confederation before, and I suppose it is too much to expect that it will not damage it again.

What do the apologists for this program say? The hon. member for Maisonneuve-Rosemont (Mr. Joyal) on Friday afternoon made a speech in which, as recorded at page 10504 of *Hansard* for Friday, January 30, he had this to say:

> Madam Speaker, when we are talking of consultation, we must not restrict the scope of this term, that is refer to consultation merely in terms of expenditures.

He went on to say:

> In the context of the present legislation, the federal government is prepared to meet the costs without saying a word about how they are incurred. The provinces have full discretion to plan the extension of their services and the salary scales of health professionals

That is a cop-out. How can the provinces, in the face of inflation, possibly maintain that level of service heretofore enjoyed even by exercising their greatest power of restraint? The hon. member then said:

> It is quite obvious, Madam Speaker, that if all provinces unilaterally establish a fee schedule and decide to plan hospital facilities and to improve medical care—those are objectives shared by each and every province.

Then he implied by that statement and the words that followed that these provinces would go on willy-nilly so long as the federal government was there aiding, adding to the cost of the delivery of service. The history of that is not so. The history of the times in which we live is not so. The provincial governments, to the extent they can, have done their best within the limit of their assets, having regard to the services they render, to cut down on those difficulties.

The third point of the hon. member for Maisonneuve-Rosemont was this:

> It is essential, Madam Speaker, that the provinces put their own planning in order, not to prevent them from improving the services they administer to the patients in their own area, but to ensure that the improvement of services will be the same throughout Canada.

That is patent nonsense. There is only one government with a universal influence in this country and that is the federal government. When the federal government moves to an arbitrary ceiling, as it has in respect of this bill, then that arbitrary ceiling cuts more deeply in the have-not provinces and areas of Canada than in the have provinces and areas of Canada. That is a fact. Again, the hon. member for Maisonneuve-Rosemont said:

> Bill C-68 does not seek to prevent provinces from upgrading their services or moving within a planning scale,

Of course it does not seek to do that. I underline the word "seek". However, that is the effect of it nonetheless. This is giving only lip service to what might be considered merely an apology from an apologist for the government.

We have a tremendous challenge in Canada. One of the limitations or challenges in terms of our country insofar as providing services for the citizens is concerned is perhaps the shortsightedness of the government in terms of the way it has planned or prioritized our society. We are now perhaps paying just a little bit for this.

At Christmas and New Year's the Prime Minister (Mr. Trudeau), in his famous epistles at the Chateau Laurier and on CTV in which he discussed this new society, ignoring the different problems of the whole society in which we live, cast the blame on the Canadian public, not thinking that perhaps there might be a modicum of blame to be cast upon his government and its predecessors in terms of the extravagant way in which they managed the affairs of this country. If we are at the point where it is legitimate for the government to renege on a solemn undertaking to the provincial governments with which it is in partnership in Confederation—and I do not believe that time has come at least in terms of medical care—then we have to take a good hard look at whether or not the government of the day is really fit to govern.

It is my respectful submission, Mr. Speaker, to you and members of this House on all sides, that in the area of general health care and hospital care the federal government should put forth specific proposals to the provinces in order to make the systems more cost effective. The provinces have a built-in incentive to achieve this. After all they are responsible for 50 per cent of the total cost of medical care and undoubtedly they would be receptive to such an overture. However, the government is prepared, to the extent of this bill and the ceiling imposed, to cut the provinces adrift rather than help provide a level of medical care.

If such an approach as I suggest were made by the government I think it should consider the standards of hospital admissions, the length of the bed occupancy in hospitals, the use of x-ray and laboratory equipment in clinics and hospitals, and should make an entire review of the comprehensiveness of medical and hospital care. For instance, should cosmetic surgery really be included under medical care?

There are a number of areas in which we might consider improving the delivery of health care service to Canadians. However, one of those is not what we see before us; one of those is not to breach the covenant of Confederation, because that in effect is what is happening with regard to this bill. I hope that those members on the government side who blindly support the government, which has acted in the treacherous way the Leader of the Opposition has

described, will give some consideration to the effect of this bill ultimately on health care services in Canada.

The delivery of health care services, the matter of preventive medicine and prevention about which the hon. member for Comox-Alberni spoke, and the other things about which he spoke in terms of achieving all the long-term results in respect of improvements and so on, are matters most subject to the kind of restraints we should deal with in considering, for instance, the erection of the glass structure of the Bank of Canada. It is not just the same as cutting off or extending the period of time in which we would develop Rideau Centre in Ottawa or a new bridge across the Ottawa River. The effects of a cut-back in this kind of a program have far-reaching results perhaps even beyond the measure of us who consider that they are rather profound.

The program initiated by Lester B. Pearson was one designed to give the people of Canada the best medical care delivery system in the world. This government is now tinkering with it after the provinces of Canada, with some reluctance, agreed to go along with it and built their medical care delivery systems on that basis. That is the fundamental effect that this legislation may have upon the people of Canada.

● (2120)

The last member of the New Democratic Party who spoke talked about a shifting of the burden. That is precisely what they are doing. I hope the people of Canada will realize the nature of the act which this parliament is being asked to help perpetrate. I hope the people of Canada will understand why the Official Opposition intends to debate this thing as long as they can. This is why we intend to debate this bill, so that they will understand there are some people in this parliament who do not like this backroom tinkering that is going on with respect to a number of programs, one being this very important program of health delivery.

There may be some members of this House who have forgotten that the medical care program of this country was born out of a desire of Canadian parliamentarians—Liberal, Conservative, New Democratic Party, Social Credit, and perhaps independent—to ensure to all Canadians to the extent possible that they would be guarded against the vicissitudes of life over which they had no control, namely, the breakdown of health, accident and otherwise.

The tinkering that is being done with Bill C-68 in the treacherous manner described by the Leader of the Opposition is not in keeping with the principles of those people who brought this bill into being in the first place. Let us not forget that.

The Acting Speaker (Mr. Turner (London East)): The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan) on a question of privilege.

Mr. Kaplan: Mr. Speaker, when I spoke I did not defend the government's policy on medical research, and that is being misunderstood. Medical research has nothing to do with this bill. This is a health care bill, and medical research does not come under the total delivery program. Wrong interpretations are being put on the fact that no one on this side has spoken on medical research, when in reality it is out of order to speak on medical research in this debate, I submit.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in taking part in this debate I am happy to relate not only medical research but a lot of other things to the delivery of health care to Canadians. How you can separate it from any other part of medical services is beyond me. I think it is perfectly legitimate to raise it in this debate, and I do not know why the parliamentary secretary is complaining when in fact one of his colleagues raised it in his speech.

The test of any society in the eyes of our contemporaries, and certainly in the eyes of our children and grandchildren, is how well it does in treating its old, its sick, and those who are afflicted in a variety of ways. Surely that is the same kind of reasonable test of how decent, how civilized, how human any given society is at any time in history. This kind of legislation degrades and neglects the kind of test that all of us want to pass in how we treat our sick, our old, our afflicted, and how we deal with one another.

There is nobody in this House, Mr. Speaker, who can carry water for the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) when it comes to the issues of medical care and the delivery of health services. He gave some of the history behind this issue. I welcome the conversion of some hon. members to my right in the Progressive Conservative Party. They have become very progressive on this issue in the last few years, although I cannot say the same for some of their predecessors and a few who are left in their present caucus who spoke up with the Liberals back in the 1950's and 1960's against provision of this socialist health insurance program.

I was pleased to hear the hon. member for Grenville-Carleton (Mr. Baker) and the hon. member for Winnipeg South Centre (Mr. McKenzie) lend their support to the kind of arguments that the hon. member for Nanaimo-Cowichan-The Islands has been making since the middle of the 1930's. He pointed out that it was the Liberal Party who proposed a national health program in 1919. The Liberals talk a good fight, Mr. Speaker. They are great as followers, not leaders. But while they talk a good fight, on every single social advance and change for this country, they were the ones to oppose those advances, and to denigrate them.

● (2130)

I am going to give a little list, chapter and verse tonight, for the benefit of my hon. friends opposite. From 1919 on, on every single occasion who was it who opposed, denigrated, talked against, and did everything to undermine every significant social advance? Every time social advance has been made, in the front line of opposition were Liberals and other so-called free enterprisers including, I regret to say, a few from the Progressive Conservative Party in those years.

An hon. Member: Not many.

Mr. Benjamin: The issue is how we are going to share this burden of the delivery of health care for ourselves and

our fellow citizens. With regard to hospitalization I can remember 1945, 1946, 1947 and 1948, for four years running, Liberal after Liberal in the legislatures and in the Parliament of Canada, in the press and on public platforms saying that this was socialism, that it would ruin the poor hospital boards, and the doctors would leave.

The Liberals said it was a terrible thing and that we should only provide hospitalization for those on welfare and the poor. I remember my Dad driving a woman to hospital in 1937, and they would not admit her. It was a Liberal government and a Liberal hospital board. They would not admit her because her previous two babies had not been paid for. The Liberals said that people cannot be running in and taking hospitalization; that would destroy their incentive, and they fought hospitalization programs tooth and nail.

I will just discuss the list from the province of Saskatchewan for my hon. friends opposite. I wish the hon. member for Assiniboia (Mr. Goodale), the hon. member for Battleford-Kindersley (Mr. McIsaac) and the hon. member for Saskatoon-Humboldt (Mr. Lang) could be here because they could verify what I say. When the air ambulance program came in, who was it opposed it and said it would be too expensive, a burden on taxpayers and on the poor, private ambulance operator? Who was it opposed that from day one and right down the line? It was the Liberals every time.

Then those socialists in Saskatchewan decided there was something immoral—we have always felt that way—and there still is something immoral about somebody making a profit from the misfortunes of others. So we decided that somebody who was injured in an automobile accident, some innocent victim, should be covered under compulsory government insurance. Who opposed that from day one and right down the line? Liberals every time. They opposed the idea that there is something immoral about making a profit from the misfortunes of others and thought it moral to live like leeches off the backs of the sick, the injured, and the afflicted. They think there is something immoral about all of us paying together for this.

I remind all the Sunday Christians in this place that there is something in the book that they live by, something about the good Samaritan and about being our brother's keeper. That means we all pay, no matter what the price.

An hon. Member: I'm glad you are an authority.

Mr. Benjamin: I will tell the hon. gentleman that I do not pretend to be a Sunday religious type. I try to be a Christian—

The Acting Speaker (Mr. Turner (London East)): Order, please. I suggest that the hon. member is off the track and that he get back on the rails.

Some hon. Members: Hear, hear!

Mr. Benjamin: Mr. Speaker, you will appreciate that the hon. member got me switched into the passing track, and I meant to stay on the main line.

When it comes to denticare or pharmacare, who opposes it all down the line? Who says it will be too costly and that the poor taxpayer cannot afford it? Every time it is the Liberals.

When it came to medicare—and that was the classic one—every Liberal in Saskatchewan and every Liberal I knew across Canada—I listened to their speeches, I read *Hansard* and I heard them on the radio—fought medicare tooth and nail.

Mr. Allmand: Mr. Speaker, I wonder if I could ask the eloquent hon. member a question. I wonder if he remembers the answers Tommy Douglas, the former premier of Saskatchewan, used to give for the reasons he did not introduce medicare from 1944, when he was first elected, until 1961?

Some hon. Members: Oh, oh!

Mr. Nystrom: No money.

Mr. Benjamin: Mr. Speaker, I am glad my good friend the Solicitor General (Mr. Allmand) asked that question because he will need to rely on the history of Tommy Douglas and his fight with his own caucus and his own cabinet over not only medicare, but also capital punishment, and a few other items.

Some hon. Members: Oh, oh!

An hon. Member: Answer the question.

Mr. Benjamin: I would be glad to tell the hon. member or to refresh his memory, because I know he knows that Saskatchewan was among the poorest of provinces in Canada. In those 17 years the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was the premier of Saskatchewan, he brought in hospitalization, air ambulance, drug plans for the old and medicare. Every one of them was brought in as and when we could pay for them by ourselves, with no help whatsoever from the government in Ottawa.

Mr. Nystrom: The Liberals again.

Mr. Benjamin: Every step of the way we were opposed by Liberals. Every step of the way the federal government refused to help.

The Acting Speaker (Mr. Turner (London East)): Would the hon. member get back to the bill, Bill C-68.

Mr. Benjamin: This bill is nothing more than further proof of the Liberals coming out true to form. They are not worried about people and the delivery of health services; they are worried about bucks. Dollars always come first in their minds, ahead of people. Why is it that every single one of these social advances in the beginnings of their implementation was opposed by Liberals right down the line? This happened not only for Saskatchewan, but for province after province in Canada and in this Chamber year in and year out from 1919 on.

Why is it that every time this so-called free enterprise system or capitalist system gets into some trouble the first people they try to victimize in the course of getting out of that trouble—in an effort to save the system or to try to shore it up in order to help the rich, the powerful, and the

privileged—are the old, the poor, the unemployed, and the sick?

Going back through the political history of this country, invariably whenever a government of the Liberal stripe decided to fight inflation, the programs it attacked were the ones which did the most for and were most meaningful to ordinary people and the overwhelming majority of the population. We have had the attack on the unemployed through the amendments to the Unemployment Insurance Act. Now there is an attack on the delivery of health services, including medical research which is necessary in order to improve the health services you deliver. That is what the Liberals pick to attack.

● (2140)

This morning I was reading in what you can hardly call a left wing magazine, namely, *Time* magazine, on the plane coming in from Regina all about stumbling Gerald Ford whose new budget taxes people who are getting food stamps and people who are getting medicare. I arrived back in the House of Commons at three o'clock this afternoon to find the bumbling Liberals like stumbling Gerald Ford, attacking the sick and the afflicted. They put a price tag on health services. I believe, and the NDP believes, that good health and accessibility to good health services is a fundamental right, not a privilege.

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

Mr. Benjamin: Go ahead.

Mr. Kaplan: In criticizing the government for setting a ceiling which, he says, acts oppressively on the sick, is he aware that his own province of Saskatchewan has wisely set a ceiling on the increase of medicare for the coming year which is even lower than the ceiling permitted by the federal government?

Mr. Benjamin: Of course I am aware of that ceiling, but the hon. member might like to be reminded of the fact that the ceiling was applied to doctors, not patients. The hon. member should keep in mind also that that ceiling does not apply to health treatment under all programs in Saskatchewan.

Also may I remind him, the $95,000 member of parliament, that it is people of his ilk who decided to meddle with medical care in fighting inflation. I should like to ask the hon. gentleman where his priorities are, and where his party's priorities are. Why do they not place a higher priority on the well-being of Canadians in terms of their health or their employment? Why do they not place a greater priority on that than they do for the rich, the privileged and the powerful, those who can afford to pay a fair share of the cost of delivering health services or providing for the afflicted, the unemployed, and the sick?

It is nothing more than a last gasp attack by the Liberals. There is nothing new about it. It is an attack by the Liberals in trying to save their own necks, save their own misbegotten, outmoded system. This government is so concerned about inflation and about paying the bill for the delivery of health services to Canadians, no matter how or where they are, it wants to hold back and cut down on the sharing of the cost of helping one and another. It wants to cut back and hold down on the whole principle of medicare and health services. That is where Liberals want to cut down, that is where they want to set ceilings. To me it is sinful and immoral. They have their priorities backward.

Mr. Nystrom: Sinners, repent.

Mr. Benjamin: Any government which in times of depression and inflation would pick such social programs as the delivery of health services to cut down must be immoral, and must have its priorities backward.

I bet that all members of the House in all parties would support an item of legislation to amend our tax laws so that we could make sure we not only pay the present costs of health care we have but so that the Government of Canada, representing all the people, could share with the provinces additional programs which they presently carry by themselves. I would be quite happy to vote in favour of a tax bill which would add $100, $200, or $300 more to my income tax to help pay for the cost of the present health services and to help pay for the additional services that should be delivered by a national government. That is what a government that is moral and concerned about its people and concerned about a decent and civilized society would do. It would do something about the tax laws.

Perhaps the Minister of National Health and Welfare (Mr. Lalonde) has not been getting support from the cabinet, the Treasury Board, and the Liberal caucus. Perhaps he has been told that he has to hold down the budget for health services. If that is the problem, may I suggest another way? I would be quite prepared to support a bill which taxes me some more, but let me offer the minister another small suggestion.

In today's terms 7 per cent is a more than reasonable, in fact a low rate of interest. If the minister needs, say, another $500 million for 1975-76 or 1976-77, how about charging a modest, low, 7 per cent interest rate on the $7 billion worth of deferred corporation taxes which appear in the books of the corporations and the books of the Minister of Revenue (Mr. Cullen)? That could be done instead of allowing the corporations an interest free loan of $7 billion which will never be paid, and we all know it. We could charge them a 7 per cent, or a 7.5 per cent interest which would give the minister and the federal government another $500 million which the government could share with provinces such as Saskatchewan on programs that they are carrying themselves, programs such as pharmacare, hearing aids, eye glasses and drugs.

An hon. Member: Why only Saskatchewan?

Mr. Benjamin: Other provinces are doing the same thing. Name me a Liberal government anywhere in Canada doing this. There are none.

If we did this, we would be advancing not retreating. Surely people's illnesses, people's afflictions, people's right to access to the largest amount of health services should not be cut back by the government in times of inflation and restraint. Surely even in times of inflation that is one area which we want to expand. That is a time when we should expand the delivery of health services to those who are least able to pay and, because of inflated dollars, are becoming less able to pay. A time of inflation is not the

time when the government should hold back or cut back; it is especially a time when health services should be provided for the unemployed, the sick, the lame, and the halt.

An hon. Member: And the NDP.

Mr. Benjamin: These are the people who are called upon to show restraint, take less, tighten their belts. The same government, in its worry about the spiralling costs of the health services, can say to the corporations they will get more write offs. In fact, in the second to the last budget another $500 million was allowed the corporations in depreciation and depletion allowances and tax write offs.

Where are the government's priorities? Right where they are where the Liberal priorities have been since 1919. They only talk in favour of these health plans. But now that many of them have been in effect for years, there is not a single Liberal who would dare try to do away with these programs. Of course they have tried to do all they can to undermine these programs, to shift the burden of the cost of illness from those who can afford to pay to those who are sick. Despite the terms of Confederation, the federal Liberal government has tried to do this without indulging in a sensible amount of consultation and negotiation with the provinces which have been leading the way.

● (2150)

The federal government is always lagging behind; it only comes in after one or more provinces have led the way and dragged a Liberal government screaming and kicking into the twentieth century. This bill is typical; it is the sort of bill introduced by Liberals who want to turn back every single social advance we have made since 1919. If hon. members opposite mean what they say they will at their caucus meeting on Wednesday morning in no uncertain terms tell the Minister of National Health and Welfare to withdraw this stupid bill. Let us assume for a moment that I am wrong and that Liberals are just as moral, or more so, as I am or anybody else in opposition.

Mr. Nystrom: Never.

Mr. Benjamin: If that is the case, they will arrange next Wednesday morning at the caucus meeting of the Liberal party for this bill never to be brought in again, either during the life of this parliament or any subsequent parliament.

In this area we should expand the operations of the Government of Canada, not respond to those thoroughly nineteenth century bogey men various government spokesmen have tried to create by referring to the spiralling costs of health services. If they are right, if health costs are spiralling, that is all the more reason to expand the participation of the federal government in our national health services. Need we remind ourselves that by implementing hospital care, medicare, pharma care or what have you, we are acting on principles of Christian morality and putting into every day practice what the man from Nazareth long ago told people to do? We are putting these precepts into practice in everyday life, through our government.

My colleague from Cape Breton Island spoke masterfully on the economics of this program and I have no hesitation in lending my support to what he said. The moral law, the Christianity of medicare, if you like, says that health services should be available to all citizens of this country, no matter what their standing is in society. It is incredible that even a Liberal government would have the nerve to bring in this bill, considering all the years of struggle we underwent to obtain national health plans of various kinds. That shows how true is the saying that battles won do not necessarily stay won.

There are still many reactionary dinosaurs around who support various governments of free enterprise stripe. Every now and then they come out from under their rocks or hiding places and do their best to undermine or set back programs like hospitalization and medical care. They do this, not because people are getting health services and not because people are abusing the services. No. Even they do not have the nerve to make such accusations any more. They do it because they say the program is costing too many dollars. If that were true why would they want to shift that burden back to the provinces and, hence, to the people who are sick? Why would they want to do it? Why would they not want to increase the number of dollars which the Government of Canada contributes to health delivery services?

If they are correct, if the costs of delivering health services are spiralling upward, if there is any legitimacy to their arguments, it seems to me, in all logic, that they should say, "We will increase our contribution; we will share with the provinces on a 50-50 basis the cost of new programs they are carrying by themselves." I know that the Saskatchewan minister of health would welcome such a statement. He would welcome the federal government's sharing 50 per cent of the cost of the hearing aid program, the pharmacare program, and the dental care program for children. We are raising the age each year, but we are paying for it ourselves. If the federal government were to pay 50 per cent of our costs, we could embark on other programs; but there is no leadership from this government.

For instance, we want to embark on home care nursing in a massive way. We want to embark on preventive medicine programs for people of all ages. These programs would cover people from birth to death and would be massive. No one can deny that they will be costly; but it would be nice if, for a change, the national government showed some leadership and said, "We will share 50 per cent of the burden with you." It would be nice if it said that the people of Canada will bear the cost of those programs on the basis of ability to pay so that those who can afford to pay most will pay most.

It does not matter whether the government raises the money by way of income tax, corporate tax, sales tax or any other method. But to attempt to weasel out of a commitment, out of an agreement made with the provinces, is unforgivable. We are not going to stand for it; neither are the people of this country.

We will oppose this bill right down to the line. If hon. members are worried about their Easter recess or summer holidays, they are worried for a good reason. Keep worrying. This bill must be withdrawn. I appeal to the good sense, if any, on the government side, and to the morality, if any, of members on the government side. I ask them to stand on their hind legs, if not in this Chamber then in their caucus demand that this bill be withdrawn and not

proceeded with and demand that the government, which they support, bring in a program to expand the delivery of health services to citizens of this country in place of the bill which would contract such services. It is the least they can do. Do not fight inflation on the backs of the sick and the afflicted. If this legislation is one of the government's priorities, it is not going to succeed with it. May I call it ten o'clock, Mr. Speaker?

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I wonder, in light of the rapid progress being made with the bill being debated, whether someone on the government side can say what is to be the business tomorrow and if we are to continue debating this bill tomorrow.

Mr. Knowles (Winnipeg North Centre): We were told otherwise.

Mr. Blais: Mr. Speaker, it is my information that, tomorrow, we are to continue with Bill C-68.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. This afternoon at three o'clock the government House leader said definitely that we would not go on with Bill C-68 tomorrow but consider either Bill C-58 or Bill C-81, or he would see the Prime Minister (Mr. Trudeau).

Mr. Blais: Mr. Speaker, further to the point of order, my information is that we are to deal with Bill C-68 tomorrow.

Mr. Knowles (Winnipeg North Centre): You can't trust those Liberals.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ROYAL CANADIAN MOUNTED POLICE—STATUS OF MITCHELL BRONFMAN—POSSIBILITY WRONG INFORMATION SENT TO UNITED STATES OFFICERS CONCERNING MR. BRONFMAN

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, the matter of the status of Mitchell Bronfman has interested me for many months. The Solicitor General (Mr. Allmand) knows that Mr. Bronfman has been the subject of more than casual concern to the RCMP. I am sure he knows, also, that Mr. Bronfman has been a witness in judicial proceedings involving the investigation of organized crime, and has been very co-operative.

● (2200)

I was very interested to see the Solicitor General (Mr. Allmand) say unequivocally in this House on January 28, and I quote in part from his answer:

—to my knowledge Mr. Bronfman has done nothing illegal.

Now that we have established, apparently conclusively, that Mr. Bronfman has done nothing illegal, to the minister's knowledge, I think it must logically follow that any person or persons who have suffered adverse effects because of association or acquaintanceship with Mr. Bronfman must have done nothing wrong either by virtue of knowing him, having dealings with him, or any other of this type of association. This aspect of the Bronfman matter is one which demands more scrutiny.

In connection with Mr. Bronfman and the way that he was being investigated, I want to place on record another excerpt from the statement of Chief Superintendent J. P. Drapeau, officer in charge, criminal investigation branch, "C" Division, Montreal, a portion of which I have already given to the minister. The statement is in reference to the activities of certain members of the force in relation to Mr. Bronfman. Chief Superintendent Drapeau said in part:

At my meeting with Inspectors Bélanger and Rodrigue, I reviewed the information on file regarding Bronfman and told Inspector Bélanger there was not very much considering all the verbal information that had been passed on to me by either him or CILO-East and that we should get to work on this immediately with a view to documenting the information and to ensure we had factual information and not just rumours. I also instructed Inspector Bélanger that we should make effort through our surveillance unit and our technical services section to develop information against Bronfman and possibly with regard to his alleged continuing association with S/Sgt. McCleery and Sgt. Brunet.

That is all of the statement I will put on the record at this time. What I want to know, and what I will continue to press the minister concerning is the basis on which certain RCMP investigated, and legal officers carried out their investigations, and how they developed information, the logic of their deductions and the inferences which they drew from events, events which in themselves might be interpreted different ways.

I am not an advocate for Mr. Bronfman, but I am very interested in the background and what has gone on. The RCMP is a great police force, but all of its members are not infallible. From time to time one hears of such cases as the MacInnis matter, the Nova Scotia doctor who is becoming a bit of a cause célèbre because of the enthusiasm which certain officers of the RCMP seem to have for this matter.

The Marin commission, a very worthwhile initiative by the minister, should soon be reporting. The reason I mention these two matters, Dr. MacInnis and the Marin commission, is to illustrate that it is time that more effort was made to open certain investigative practices and internal procedures by the RCMP to the view of parliament and the public where the national interest will not be hurt, and at the same time to make an effort to ensure that members to this force are treated more fairly in so far as RCMP internal administration and discipline are concerned.

Arbitrary treatment by the force of its own members should not be tolerated. Discipline is one thing, but mindless and slavish adherence to dictatorial or coercive regulations, which may not be practical in this day and age, is not

in keeping with present day conditions of police or public affairs.

I feel the Solicitor General is concerned about conditions in the force and that he wants to be fair to all concerned. Therefore I hope he will soon be bringing in changes to the RCMP Act and will be reporting to this House on the Marin commission, and will be prepared to answer fully questions I want to ask him about those members of the RCMP who have been associated with persons like Mr. Bronfman and, based on associations such as this, have had their careers affected when perhaps this should not have been done and was not justified. I do not know the full story at this time, but I want to learn more about some of the practices that presently go on in our national police force. I am sure that many members of this House, and the minister, do as well.

Mr. Hugh Poulin (Parliamentary Secretary to Solicitor General): Mr. Speaker, the hon. member for Central Nova (Mr. MacKay) has from time to time been described in this House as a most responsible member, yet at this time he is saying that he believes certain further things should be done with respect to what he alleges is a wrong regarding Mr. Mitchell Bronfman. At least, that is what he leaves by way of innuendo. He does not at any time say that Mr. Mitchell Bronfman has been accused of or is guilty of any offence, or indeed has suffered any harassment at the hands of the Royal Canadian Mounted Police. I note, however, that he does indicate that the Royal Canadian Mounted Police office is an honourable force, one that has been a credit to this country, as has every member in his individual capacity. I think that should be underlined, not the innuendo in the hon. member's other statements and remarks.

On January 28 the hon. member for Central Nova asked the Solicitor General (Mr. Allmand) if Mr. Mitchell Bronfman had violated any federal law, and whether the Solicitor General was acquainted with the alleged circumstances under which Mr. Bronfman was persuaded not to institute legal proceedings against certain RCMP personnel. That is the type of innuendo I refer to, Mr. Speaker. There is no indication whatsoever that Mr. Bronfman was ever persuaded not to institute legal proceedings, and if he had any cause of action, I presume he would have had the intelligence to do so.

The Solicitor General has been informed by the RCMP that Mr. Bronfman has, to the best of their knowledge, not committed any criminal act. However, it should be pointed out that this type of information is generally not disclosed in the House. This type of information is usually disclosed before the courts, where an individual is accused, charged, the evidence is adduced, and the accused given every opportunity for full answer and defence.

With respect to the earlier matter of whether Mr. Bronfman was persuaded to drop legal proceedings for defamation—that is, libel—against certain RCMP personnel, the Solicitor General has received no information on this. It might be added that the decision to proceed or not to proceed with an action for defamation or libel, a very serious civil matter, is a matter that would rest entirely with Mr. Bronfman and his counsel. I suggest that the hon. member is well aware of this, and it should not lie in his mouth to make such innuendoes with respect to the Solicitor General and the Royal Canadian Mounted Police in this House unless he is prepared to sustain these kinds of innuendoes with facts, and to make the facts known to the House.

[Mr. MacKay.]

MANPOWER—MEASURES TO ALLEVIATE UNEMPLOYMENT IN CAPE BRETON

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I was pleased to hear on Thursday last the minister of manpower inform the House, in answer to my question on what projects or financial involvement may be forthcoming from the federal government to help alleviate the serious unemployment crisis in the Cape Breton area, that he intended to bring to bear "the whole range of manpower programs". He said that "additional job creation, funding and training has already been discussed and that meetings were taking place in Ottawa with the Department of Regional Economic Expansion and his officials to develop plans and to discuss further with the provincial authorities on this matter".

The Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. McIsaac), in answering my supplementary, said that his minister and departmental officials are working with the province of Nova Scotia to re-examine some of the ongoing agreements there to try to alleviate the problem. He suggested that by the time of the next meeting on February 9 they will have some concrete suggestions to put forward.

A brief profile of the problem is shown in the statistics. Out of a total labour force for industrial Cape Breton of 44,000, there were registered at the Canada Manpower offices at the end of December, 1975, 11,461 people, as compared to 9,810 in November, 1974. The unemployment insurance claimants increased from 8,000 in December of 1974 to 9,000 in December of 1975.

It was because of the large lay-off that was pending at the Nova Scotia government-owned Sydney Steel Corporation, with its attendant employment effects on the service sector of the economy, plus the fact that we were aware that most of the lay-offs in the Sydney steel plant were going to be of a long term nature rather than one of three or four months' duration, that we called for an emergency meeting. We had expected that the lay-offs at the Sydney plant would have been very serious, but we were surprised to find out that the total labour force there would be reduced to 2,882 by the end of February, and would likely go to 2,400 sometime following that. This is the lowest level of employment at that plant in my memory for the post-war period.

● (2210)

When you consider that the average number of employees working at the plant was 4,095 in 1974 and 3,623 in 1975 and again, to repeat, when you consider the employment multiplier effects of these job losses on the other sectors of a narrowly based area economy, then one can easily see that unless short and medium term jobs are put into the area by the government then the unemployment insurance claimants this winter and spring could be projected to be about 11,000.

Our hope for the long term is the opening of two coal mines with a coal fired generating plant that has been tentatively agreed upon by the Nova Scotia Power Corporation and the officials of the Cape Breton Development Corporation. Crucial to the whole economy, and indeed to the coal sector, is the whole question of whether we are going to succed through a consortium of private corporations and government agencies in placing a new fully integrated steel mill in the area that would come on stream in the middle of the 1980's with a minimum production of 3 million tons of basic and semi-finished steel. Besides that we have the possibilities of some development arising out of attempts to develop some resource based industries.

The attempt in the past through federal and provincial incentives to attract private industries in that area, especially during the first four years of the existing Cape Breton Development Corporation, was a miserable failure. It is my own opinion that as long as we do not have a fully employed economy operating for at least five years nationally, there is little hope for attracting any private profit industry from outside the area. This, of course, would change if we had a stabilized coal industry and a competitive international steel plant.

One of the things that government has to do in the long run at the federal level is to change its policies of decentralizing government departments and "footloose" institutions of the public sector. In recent years there have been some attempts by the federal government to decentralize other than in the defence sector. I am referring especially to the decentralization of certain DREE activities and to the recent attempts of the Department of Revenue to decentralize data processing facilities in the different regions of Canada. I realize some of the difficulties that are involved. But surely if the attempt to close regional disparity gaps in employment and income is to be taken seriously then the time has come to stop decentralizing from Ottawa only into the metropolitan areas of the country.

Most of the high unemployment slow growth areas that have within their radius 100,000 or more people should receive as government policy first call on these types of jobs as they develop. My reasoning is that the slow growth areas economic base is usually one in which the labor force is engaged primarily in producing for internationally competitive markets, as well as often having a seasonally structured employment base. You will never truly, in my opinion, improve the position of these areas by giving a carrot to private entrepreneurs to go in there; past experience suggests that if you try this route it often leads not only to a misuse of public money but to the lowering or destruction of the morale of the people in these areas, whose hopes get built too high.

During his speech to the Canadian Club the Prime Minister (Mr. Trudeau), after reiterating the obvious, had this to say:

"I would ask private industry whether it is prepared to act voluntarily to distribute economic opportunities more equitably across the nation, through decisions on plant locations"

I think this is kind of naivety on his part, but in any case I would think that it would be much more important to the slow growth and chronic unemployment areas such as I represent to have a policy of decentralizing non-competitive public industries into these areas. Other such areas would include the Gaspé, Northern New Brunswick, the West Coast of Newfoundland, and Northern Ontario.

The metropolitan areas, even in the Atlantic region, are traditionally in the 1970's full employment areas so it makes little sense to me to push them over full employment and let the other areas depend so heavily on unemployment insurance and other government transfer payments. Surely no one in this day and age would consider another alternative of moving large numbers of people out of their natural communities as a solution—in fact it would be a non-solution—to such problems. In the meantime we will be attending the meeting on February 9 hoping that both the provincial and federal governments will have something substantial in the way of projects to alleviate the present crisis. Tonight I am hoping to have some indication of the projects the Department of Manpower proposes for our hard hit area.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as the House was advised on January 29, I believe, the Department of Manpower and Immigration and myself are very much aware and very much concerned about the distressingly high rate of unemployment on Cape Breton Island, and we are aware that there are pockets on that island which seem to exceed the rate on the island itself. We are trying our best to help alleviate this situation with all applicable manpower programs and services, and we are allocating additional training funds for Cape Breton through the Nova Scotia Manpower Needs Committee. The Local Initiatives Program and the Local Employment Assistance Program have seen about 40 per cent or 50 per cent of their allocation go to Cape Breton.

The federal provincial manpower committee has of course discussed the problem, as the hon. member knows. I think the suggestions he has made in his very thoughtful and brief presentation tonight are very worth-while, and I intend to examine them with my colleague, the Minister of Regional Economic Expansion (Mr. Lessard), during our on-going meetings about this particular problem, to see what we can do. I really wish I had a magic wand with which to try to resolve this in the immediate future.

As the hon. member knows, there is a citizen's committee developed by my department. We are looking for the input of the local people. We are discussing the matter with DREE and will try to have a solution. If I had a magic wand, as I have said, I would wave it and have a solution for tomorrow. We will have to search for a solution and see what we can do about this situation.

● (2220)

AGRICULTURE—BEEF—SUGGESTED RESTRICTION OF FOREIGN IMPORTS AND RENEGOTIATION OF UNITED STATES QUOTAS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, last December 18, just before the Christmas recess, I addressed a question to the Minister of Agriculture (Mr. Whelan) suggesting he might give consideration to supporting the Canadian cattlemen's view that unless some form of voluntary restraint against foreign imports is instituted, or a Canadian meat import law is enacted, we may not have

access to the United States market for our Canadian beef and veal. This was suggested the day before the minister went to Washington to confer with U.S. secretary of agriculture, Mr. Butz, on the egg issue and beef and veal quotas.

My suggestion was both kindly and logical in view of the recent strained relationship between our two countries over the cattle and beef trade and quotas in the last year and a half.

I also suggested that if cattle and beef quotas were to be renegotiated, they should be at or near historical trade levels, similar to Canada's five year average pattern, instead of a 12 month August to August quota as used by the U.S.

The minister's response was a very cynical and sarcastic comment that he would do nothing to offend the CCA because they do not want government interference. I suggest, Mr. Speaker, that good, sound, properly negotiated bilateral trade arrangements do not constitute government interference.

Just two days before my question the minister had invited the CCA executive to meet with him and his senior staff to discuss this matter, as well as the current stabilization issue. While I can commend the minister for this action in asking the CCA for comments and advice, I must report that due to the constraints resulting from the Agricultural Outlook Conference which took place at the same time, it was not a fruitful meeting. The minister just did not arrange sufficient time for this special meeting called at his request.

Nevertheless, it is rather interesting to note the developments of the minister's meeting with Mr. Butz as reported in the minister's press release dated December 31. The release announced the end of beef quotas on December 31 by both countries, and reminded us that live cattle quotas had been lifted last August. The statement went on to report:

"During our meeting, Mr. Butz pointed out that the U.S. have a meat import law in their statutes and they must operate under it" Mr. Whelan said.

"Taking that into account, I advised Mr. Butz that Canada would need to provide similar safeguards to protect against any unusual or excessive meat flow into this country.

"We have reached agreement in this context and are very satisfied with the arrangement".

Toward the end of the press release we find the following:

Mr. Whelan also noted the agreement opens the way for discussions with Australia and New Zealand.

"These two countries are significant exporters of beef to Canada. We have already advised both countries that we want to make similar arrangements with them to ensure orderly marketing", Mr. Whelan said.

While the minister did not use the term "Canadian meat import law" his phrase "similar safeguards" does indeed suggest that he was aware of the cattlemen's views, and CCA, I am sure, would like to see this suggestion further developed between Canada and the U.S.A., and between Canada and Australia and New Zealand. I am sure he would like to ensure that never again will we in Canada have to endure a flood of U.S. cattle which collapsed our markets, such as in the summer of 1973 following the U.S. price control program.

[Mr. Hargrave.]

In the cattle industry we in Canada share with the U.S. cattle producers the North American beef market together with Mexico, of course. These three countries are indeed partners in the North American beef economy, but we are not equal partners. With a ten to one ratio of both people and cattle populations as between USA and Canada it is obvious that the U.S. market dominates the north American cattle and beef market, and therefore has much greater capacity either to benefit or damage our Canadian market, and both of these situations have occurred. Let me make it abundantly clear at this point that I fully support the concept that our Canadian cattle industry should continue to be a vital part of the north American cattle market.

Since 1970 our trade balance in both cattle and beef with the USA has deteriorated badly. In dressed beef we slipped from a $39.7 million credit balance in 1970 to a $5.1 million credit balance in 1974. In live cattle we dropped from a credit balance of $58.3 million in 1965 to a deficit of $33.4 million in 1974. The 1975 picture is better with a favourable trade balance for both cattle and beef, thanks to the very heavy export of 100,000 cows to the USA in the last five months of 1975. While our nominal tariffs between our two countries of 1.5 cents a pound for live cattle and 3 cents a pound on beef are the same for both countries, it should be pointed out that when we export cut beef or block ready beef to the U.S. there is a ten per cent *ad valorem* U.S. duty.

Since the first of this year Canada has reverted to the status of quota free access for beef imports. We are probably the only country with a developed beef industry to offer this unlimited access. The U.S. has its meat import law that can be triggered immediately by presidential action, and while Canada has a very generous access to that market we can never inundate the U.S. market as can happen in the reverse, such as in 1973 in Canada.

I believe very sincerely that Canada needs a beef import law to be implemented only at times when imports greatly exceed the boundaries of normal trade relationships and, most particularly, when such imports are the result of arbitrary forces developing in the U.S. market. I also believe that Canadian beef producers recognize the importance and validity of the concept of a North American beef economy. Yet many of us seem to believe that we can have the best of two worlds, a domestically supported industry and access to the U.S. market. This simply cannot be. If we seek public support for our industry, we will have to employ restrictive import controls, and such controls will prompt retaliation in time.

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, since this matter was raised by the hon. member on December 18, 1975, the minister has had discussions with this counterpart, U.S. secretary of agriculture, Earl Butz. As a result of his trip to Washington on December 19, Canada and the U.S. agreed to remove the quotas on beef and veal effective December 31, 1975.

This agreement goes further than the hon. member suggested, in that it cleared the way for the restoration of normal two way trade in beef and veal. Hon. members will recall that normal trade in live animals was restored by agreement in August of 1975.

Discussions are being held on a continuing basis among officials from Canada, the United States, Australia, and New Zealand in a concerted effort to establish meat import-export agreements which would be acceptable to all parties and which will ensure the orderly functioning of the international beef market. I must advise the hon. member, however, that because these discussions are still proceeding I cannot provide him with specific details, such as quantities involved, at this time.

Recently the hon. member has been raising the issue of Canadian imposition of blue tongue regulations. The minister has assured the House on several occasions, including earlier today, that this disease does not exist in Canada. Discoveries of this disease in recent years have been limited to cattle which were imported from the U.S. In all cases these animals were slaughtered, and all animals which had come into contact with them were texted for blue tongue. It is gratifying to note that such tests have consistently been negative. I must impress upon the house the importance of maintaining blue tongue free status among our cattle population so that Canada may continue to export cattle to more countries than any other nation in the world.

In his question of December 18 the hon. member raised the issue of egg trade between Canada and the U.S. As I am sure all hon. members are now aware, GATT has ruled that Canada has the right under GATT articles to limit egg imports. Nevertheless, Canadian officials are regularly meeting with their U.S. counterparts with the goal of arriving at an agreement which will satisfy both countries. Mr. Speaker, I am pleased that the hon. member opposite raised this question tonight, as it has given me the opportunity to—

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. parliamentary secretary, but the time allowed to him has expired.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

Motion agreed to and the House adjourned at 10.29 p.m.

APPENDIX «A»

UNCLASSIFIED INFORMATION
EXTRACTED FROM REPORT
FOLLOWING TWO CANADIAN ARMY EXERCISES HELD AT PORT HOPE IN 1951 AND 1953

INTRODUCTION

1. Two small scale Radiation survey exercises were carried out by the Canadian Army in the Port Hope area in the early 1950s. They involved Number 1 Radiation Detection Unit, located at Kingston, Ont., and were nicknamed Exercise Hope I (19 to 21 November 1951) and Exercise Hope III (17 to 19 November 1953).

2. Details of the objectives and scope are provided in Attachments 1 and 2 to this document. However in order to put these activities in correct perspective, some background information will be helpful.

BACKGROUND

3. In 1950, the Canadian Army was in the process of experimenting with the radiological survey and monitoring procedures which would be required in the event of an atomic war.

4. The Korean war was in progress at the time, and it will be recalled that there was a school of thought which advocated the use of atomic weapons to bring about a speedy end to the United Nations police action. Thus, although Canada was technically at peace, a Canadian Army Brigade was fighting with the United Nations Forces in Korea, and the possibility of atomic weapons being employed in that conflict could not be ruled out entirely.

5. Number 1 Radiation Detection Unit was formed in May 1950 to develop radiation survey and monitoring procedures as well as associated soil and water sampling techniques.

6. To provide the unit with practical experience in the operation of radiation detection instruments in an actual radiation environment, arrangements were made through the National Research Council to utilize the facilities of Eldorado Mining and Refining (1944) Limited in Port Hope, Ont. (Footnote 1). These facilities included the company's refining plant on the waterfront in Port Hope, two of its residue disposal areas (the MONKEY MOUNTAIN Residue Area and the WELCOME Residue Area) and the PIDGEON Hill Storage Site.

NOTE: 1. This Crown Corporation is now known as Eldorado Nuclear Limited.

RESULTS

7. Each exercise achieved its desired purpose and provided valuable experience to the officers and men involved in the assessment of radiation hazards which would be encountered in a nuclear war. The techniques devised made a useful contribution to the subsequent development of Army doctrine for nuclear warfare operations and field radiation survey procedures.

EXERCISE REPORTS

8. A detailed report was furnished to Army Headquarters following each exercise, the content of which centered entirely around the procedures and techniques employed, plus a number of recommendations relating to means of enhancing the Army's capabilities in radiation survey operations and associated functions.

OTHER REFERENCE MATERIAL

9. An article was published in the November 1951 edition of the Canadian Army Journal entitled «Radiation Detection Unit», which outlined the role and activities of the unit and included a brief description of Exercise HOPE I.

RADIATION LEVELS ENCOUNTERED

10. As expected, radioactivity levels encountered in the Eldorado Mining and Refining residue disposal areas were high enough to provide excellent training in the operation of the RDU's very sensitive radiation detection instruments. Some areas of the refining plant itself were also known beforehand to be mildly radioactive, and RDU personnel were invited to conduct a survey of the plant premises to gain additional experience in monitoring buildings and equipment.

HAZARDS TO THE PUBLIC

11. Following questions raised in the House of Commons on 28 Jan. 76 concerning the precise nature and purpose of the 1951 and 1953 survey exercises, all relevant reports and documentation were made available for examination by an official of the Atomic Energy Control Board. The official expressed complete satisfaction that the exercises were arranged solely to train military personnel in the use of radiation detection equipment and to test procedures to be followed in the event of a nuclear war.

12. Further, the examination confirmed that the information arising out of the two exercises did not in any way indicate that the operation by Eldorado Mining and Refining Limited of refinery residue disposal areas located within the town limits posed a hazard to the citizens of Port Hope. Nor did the surveys reveal any radioactively contaminated areas other than those directly involved in the Company's disposal operations.

SUMMARY OF PERTINENT POINTS

13. Exercises HOPE I and HOPE III were conducted by the Canadian Army to provide realistic training for personnel in the operation of radiation detection instruments, in radiation survey procedures and other associated techniques required for military operations under conditions of nuclear war.

14. The initiative in both instances came from the Canadian Army. The Radiation Detection Unit was not «called-in» to assist in assessing potential radiation hazards to the population of the Town of Port Hope.

15. As both exercises were very limited in scope and significance, the reports provided to Army Headquarters subsequently received very limited distribution, as they were considered to be of little interest to agencies other than the military staffs directly concerned with developing doctrine, procedures and special equipment requirements which would be necessary in nuclear war.

16. As expected, relatively high radiation levels were encountered in the residue disposal areas; however no other radioactively contaminated areas were identified other than those directly related to the disposal operations of Eldorado Mining and Refining Limited.

30 January 1976
Attachments:

1 Exercise HOPE I—Synopsis

2 Exercise HOPE III—Synopsis.

Attachment 1

EXERCISE HOPE I—SYNOPSIS

1. This exercise took place on 19, 20 and 21 November 1951. It was a very small scale operation involving only three officers and eight men.

2. The exercise scenario depicted the type of situation which might exist in a Canadian seaport after a nuclear explosion in the harbour area. The Radiation Detection Unit was tasked to carry out a re-entry operation, plotting the radiation levels encountered as survey teams approached the waterfront area.

3. For this purpose Eldorado Mining and Refining Limited made available a number of relatively harmless radioactive sources which were positioned at predetermined locations along the routes of the survey teams. The survey operations also included the Eldorado plant and premises, as well as the MONKEY MOUNTAIN Disposal Area and PIDGEON HILL Storage Site, where further instrument readings were obtained from the radioactivity present at those locations.

4. By applying an arbitrary multiplication factor to the readings obtained from their sensitive detection instruments the survey teams were able to represent to some degree the very high radiation levels it was thought would be encountered in an actual wartime situation.

5. The local populace was informed prior to the start of the exercise that radioactive sources would be positioned at various locations around the town, to avoid any unnecessary public concern.

6. The exercise report pointed up the need to develop standard procedures for the conduct of radiation survey operations, and highlighted weaknesses in the areas of radio communications, lack of technical facilities to perform on the spot maintenance of radiation detection equipment, the need for suitable maps, and a requirement for specially equipped cross country vehicles to support this type of operation.

Attachment 2

EXERCISE HOPE III—SYNOPSIS

1. Conducted on 17, 18 and 19 November 1953, Exercise HOPE III was a simple radiation survey exercise carried out entirely within the WELCOME Residue Area, some four miles North West of Port Hope.

2. This facility offered an area of known radioactivity, and the objective of HOPE III was to refine ground radiation survey procedures, hazard estimation techniques and sample analysis.

3. Four officers and fifteen men participated. A mobile field laboratory was included to perform soil and water sampling.

4. The exercise report revealed some deficiencies in equipment and detailed procedures, and recommended the provision of some additional items to improve laboratory analysis techniques, the provision of an air sampling capability, and a number of minor measures to enhance the effectiveness of the unit's operations.

HOUSE OF COMMONS

Tuesday, February 3, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR EXPLANATION BY PRIME MINISTER OF ATTITUDE TOWARDS CUBA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to propose a motion of urgent and pressing necessity under Standing Order 43. I would move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

In view of the obvious widespread concern on the part of Canadians in regard to certain statements and actions of the Prime Minister during his visit to Cuba,—

Some hon. Members: No.

Mr. Cossitt:

—especially when this occurred against the background of Cuban military participation in Angola, the House directs the Prime Minister to give an immediate and complete account to Parliament on all aspects of the situation, specifically including any use of Canadian territory by Cuban aircraft involved in the Angolan war, the reported invasion of the Cuban embassy in Havana by Cuban security police and finally,—

Some hon. Members: No.

Mr. Cossitt:

—the Prime Minister's apparent highly questionable gushing and stage-struck admiration for Prime Minister Castro and his dictatorial socialist government.

Mr. Speaker: Order, please. It is evident that the hon. member does not have the unanimous consent of the House.

SUGGESTION UNITED STATES STOP INTERFERING IN CANADIAN AFFAIRS—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 and seek the unanimous consent of the House to deal with a matter of serious and pressing necessity. In view of the CIA's blatant attempt to jeopardize the Prime Minister's most successful visit to Cuba by using the Canadian media to spread false reports by Trans-National Oil Company employees regarding the use of Gander airport to transport Cuban military personnel to and from Angola, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House go on record informing Henry Kissinger and the United States State Department to stop interfering in Canadian external affairs.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

PROPOSED REMOVAL OF AMBASSADOR TO CHILE PENDING NEW LAWS TO PROTECT ARRESTED SUSPECTS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Since the International Commission of Jurists supposed to be aimed at protecting suspects from danger of torture is inadequate, for the sake of the welfare of the Chilean people I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That Canada remove the ambassador from Chile until the International Commission of Jurists approves of a new Chilean law to protect arrested suspects.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

● (1410)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

CUBA—REASON FOR PRIME MINISTER'S VISIT IN VIEW OF SITUATION IN ANGOLA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Right Hon. Prime Minister. Accepting that Canada and the Prime Minister's government disapprove of foreign adventurism of the sort that Cuba is pursuing in Angola, why did the Prime Minister not take this opportunity to make this point very effectively to Cuba and to the world by simply postponing his visit to Cuba at this time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Trudeau: —because of the importance of the situation which had developed in Angola long after the agree-

ment had been made to visit these three Caribbean countries, I felt it most important that our government, through our Secretary of State for External Affairs, make Canada's position clear on Angola. This was done, as the House knows, by public statement here condemning Cuba for the intervention, calling for a ceasefire, and so on. That being the background, I felt that the Cuban government knew our position very clearly. Since there could be no misinterpretation on the part of anybody, let alone the Cuban government, about our position, the trip should proceed as scheduled unless, of course, the Cubans themselves did not want to meet with our disapproval.

I venture to say that if we had postponed the visit, it might have been postponed for a long while, and without making any certain predictions I thought it important that Canada show its desire to continue the peaceful exchanges with Cuba which had begun in the days of the right hon. member for Prince Albert and that my visit to Cuba should precede any possible visit of a high level official from the United States.

Some hon. Members: Hear, hear!

Mr. Stanfield: Given the fact that the importance of the Angolan developments, as the Prime Minister just indicated, including the Cuban participation to the extent of thousands of troops in Angola developed since the original arrangements were made, why was it not appropriate for the Prime Minister to follow the time honoured and very acceptable diplomatic practice by way of deferring his visit rather than giving the Canadian people and the world at large the impression, regardless of what was said privately between the Prime Minister and Fidel Castro, that Canada regards as tolerable or does not take very seriously this kind of intrusion into Angolan affairs which, despite whatever protests hon. members opposite may make, is the general perception of this event? Why did the Prime Minister forgo an opportunity to use the very acceptable diplomatic practice to make the point very effectively and firmly?

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, if the perception of it is as the hon. gentleman says, that we in some way condone the action in Angola, I can only say that he is very badly informed and I regret that that is the case. I hope that hon. members opposite and the media will make sure that that is not the case, in view of the fact that the government's position was stated very clearly before my visit to Cuba, during it and then after I left Cuba. Therefore, any misinterpretation in the sense of what the Leader of the Opposition says can only be wilful and malicious.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: I point out that the trip to Mexico, Cuba and Venezuela had been arranged quite some time ago. Cancelling Cuba and visiting Mexico and Venezuela would certainly have been considered by Cuba as not only a condemnation of its action, which it knows we have made, but also as a definite slight and a cooling, if not a breaking, in our relations. I think that would have worked to the disadvantage of Canadians. It might have worked to the disadvantage of the relations between our two countries.

Some hon. Members: Oh, oh!

Mr. Trudeau: It is not a change in the policy of the government not to agree with all the policies of all the countries which we visit. Tens of thousands of Canadians go to Cuba as tourists, and there have been parliamentary delegations, including members of all parties.

Some hon. Members: Hear, hear!

Mr. Trudeau: That policy was established by the right hon. member for Prince Albert when he was prime minister and has been followed ever since by every other government, and with regard to these two countries it has established a feeling in the world that Canada indeed follows its own foreign policy, and is able to disagree with other countries and still have civil and commercial exchanges.

Some hon. Members: Hear, hear!

Mr. Stanfield: It being very clear that people judge governments and prime ministers within their own country by what they do rather than what they say, similarly people judge governments in an international sense by what they do rather than by what they say because traditionally nobody pays very much attention to what governments say they are going to do.

Some hon. Members: Oh, oh!

Mr. Stanfield: This seems to be a great source of amusement to my hon. friends opposite.

Mr. Guay (St. Boniface): Just because we are looking at you, that is all.

Mr. Stanfield: Despite what the Secretary of State for External Affairs said as a result of the visit of the Prime Minister, the general perception abroad is that it was great for Fidel Castro. What did it do for Canada?

Some hon. Members: Hear, hear!

POSSIBLE USE BY WARSAW PACT COUNTRIES OF GOOSE BAY AS REFUELLING POINT FOR FLIGHTS TO CUBA

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Secretary of State for External Affairs. Can the minister inform us if there have been any flights recently by Warsaw Pact countries which used Goose Bay airport as a staging or refuelling point between Cuba and points in east Europe or Africa?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have no log on the stopping down of flights from eastern European countries at Goose Bay, but I believe that there have been two scheduled flights in the last months to Cuba stopping down at Goose Bay.

Mr. McKinnon: Would the minister investigate a non-scheduled flight, seek information and relay it to the

House concerning Flight IF 901, an East German Interflot IL62 which landed and refuelled in Goose Bay last Wednesday en route from Cuba to points east? At the same time will the minister tell us if it is the position of the government that Canada is willing to provide what amounts to a staging area for Cuban traffic going to Europe or Angola?

Some hon. Members: Hear, hear!

Mr. MacEachen: The hon. member realizes that his final allegations are totally without foundation. It has not been used as a staging area for any such flights, and the hon. member really ought to be more careful about his statements.

Some hon. Members: Hear, hear!

* * *

● (1420)

TRADE

ALLEGED DESIRE OF VENEZUELA TO DEAL DIRECTLY WITH GOVERNMENTS PURCHASING OIL—CANADIAN POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question for the Prime Minister will perhaps have some direct bearing on the possible consequences of the trip he took to South America. Since the government of Venezuela had indicated prior to the Prime Minister's visit to that country that they would prefer direct government to government dealings on oil exports without going through the oil company middle men, could the Prime Minister indicate if in his discussions in Venezuela he indicated Canada's support for this idea?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker the answer is yes but perhaps not in the areas which would be more directly interesting to the hon. member. I indicated that officials of Petro-Canada would be meeting with Venezuelan officials in the immediate future. The vice-president of Petro-Canada was in the group which visited Venezuela, and he has already engaged in discussions with the Venezuelan government. But beyond an assurance exchanged by both governments that we were interested in each other as a secure source and a secure market, there were no precise plans made for Petro-Canada to buy any quantities of petroleum.

The Venezuelans are interested at this time in seeing that Canada keeps up, more or less, its traditional liftings from Venezuela. This result has now been achieved. As to who the buyer should be, the hon. member knows that Petro-Canada, under the legislation, is empowered to embark on such contracts but they do not seem the likely avenue at this time. Petro-Canada does not own any refining capacity in Canada and it would not be of great advantage if Petro-Canada were to buy their bulk petroleum.

Mr. Broadbent: A supplementary question. Since the crucial financial point in Canada's favour is that such transactions proposed by the Venezuelan government would, I understand, involve a long range commitment at lower than normal prices or at lower prices than would otherwise be the case if they went to the oil companies I should like to ask the Prime Minister if the government would not indeed make Petro-Canada the exclusive importer for Canada of Venezuelan oil in order to get this lower price for Canadians?

Mr. Stanfield: What lower price?

Mr. Trudeau: Mr. Speaker, if the results were as the hon. member indicated I am sure this would be considered with much attention, but certainly in my discussions or talks there was no reason to believe that the Venezuelans would sell to Petro-Canada at a lower price than to the multinationals. As a matter of fact, there have been discussions on price with Venezuela and I am sure that both the multinationals and Petro-Canada would try to get the best possible price and Canadians would benefit in one case or another if prices can be made lower. That is not the issue at this time, however. The issue with the Venezuelans and with us was to talk about secure supply in the long run.

Mr. Broadbent: A further supplementary, Mr. Speaker. In order to clarify this issue I should like to ask the Prime Minister if it is not part of the policy of the Venezuelan government, both in terms of ensuring long-range agreements for their products and ensuring a long-range and stable group of customers, that they build in as an incentive for purchasers, Canada in this case, a guarantee that if a long-term contract were entered into by a government agency they would sell at a lower price than on short run contracts to the oil companies?

Mr. Trudeau: Mr. Speaker, I am not sure whether that is or is not the Venezuelan policy. I can assure the hon. member that this point was not raised by me or my delegation. I repeat, there will be a delegation of officials from Petro-Canada pursuing the opening we made, and it is possible that that principle will then be stated. I can assure the leader of the New Democratic Party that it was not put to me.

* * *

EXTERNAL AFFAIRS

CUBA—REQUEST FOR OUTLINE OF STATEMENTS BY PRIME MINISTER TO CASTRO ON ANGOLAN SITUATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, reverting to questions asked by the Leader of the Opposition, if I may. The Prime Minister mentioned that during my period of administration we had relations with Cuba and that is right; we traded in non-strategic materials but we did not cuddle up to Castro.

Some hon. Members: Hear, hear!

An hon. Member: With whom?

Mr. Diefenbaker: That, apparently, is a Liberal at large. I would ask the Prime Minister whether he would tell the House in the clearest of terms what he said to Castro in regard to Angola, because his own statement was, "I talked to him brutally and frankly."

Some hon. Members: Hear, hear!

Mr. Baldwin: Just as in caucus.

Mr. Diefenbaker: I hope there were no four-letter words used. I ask the Prime Minister this: will he actually tell the House what he said, because his public statements were those of adulation? What did he say in regard to Angola? Did he say to Castro, "You should get out of Angola, because of the serious situation in Africa, and the involvement of the African organization?" What did he say? Instead of evading the subject, just tell the House, even though the language be brutal.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I realize that in the right hon. gentleman's day there was no cuddling up to Cuba, probably because the right hon. gentleman was never very good with the Latin connection.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is interesting to note, though, that there was no noticeable cooling off in the relations of his government with Cuba after Cuba had accepted missiles which were pointed at the heart of the United States. If the right hon. gentleman was so concerned with the effect of my visit, he might have shown a little bit of that concern in those dark days of 1962, when he was leader of the Conservative party.

Mr. Diefenbaker: But the Prime Minister supported our position.

An hon. Member: How were you paddling your canoe in 1962?

Mr. Trudeau: As to the exchange of opinions on the subject of Angola, I can say that it took the better part of three hours—

Mr. Diefenbaker: But what did the Prime Minister say?

Mr. Trudeau: —and it might be difficult to give a blow account here, Mr. Speaker. But I can say this: one of the points of view that I took was that, apart from the destabilizing effect of any foreign intervention, particularly by nations from outside the African continent, I felt that Cuba, and I said so, was making a very serious mistake from the point of view of its own involvement in that Angolan situation. Regardless of the harm that they might be doing in Africa, I thought they were doing a fair amount of harm to themselves, and I made that quite clear.

Mr. Diefenbaker: Mr. Speaker, in 1962 the Prime Minister of this day was supporting my government in what was done. But he changed strongly when he saw the light and switched from socialism to the Liberal party. I simply ask this: did the Prime Minister suggest the withdrawal of the 10,000 Cuban soldiers in the Angolan civil war, because the Prime Minister said that Castro displayed a great deal of thought and feeling for the situation. Did he suggest that these forces should withdraw? In that three-hour tête-à-tête did the Prime Minister bring to Castro's attention the great disturbance in the OAU over the fact that the deputy prime minister of Cuba had said that Cuba "would continue to send troops to Angola to kill Africans whether the OAU liked it or not?" What all did he say about these things in that three-hour chat?

• (1430)

Mr. Trudeau: Mr. Speaker, on the first question, the answer is yes. I suggested to Premier Castro that he would be well advised indeed in withdrawing his troops from Angola.

Some hon. Members: Hear, hear!

Mr. Trudeau: I repeat, my argument was not only from the point of view of Angola itself and the disturbance it might create in world stability, but from the point of view of the Cuban government and the people themselves. I think they are making a serious error by aiding Angola. They are dividing the Africans amongst themselves. The attitude of half the members of the Organization for African Unity was on one side of this and the other half on the other side. I think that is a perilous position for any outsider to get into.

In so far as Premier Castor's views, he made them known to me. I have the feeling that he has a good knowledge of Africa and a good feeling for the realities there.

Mr. Diefenbaker: And no knowledge of democrary.

Mr. Trudeau: Certainly no experience in democracy, but you cannot blame Mr. Castro for not having learned that in his childhood under Mr. Batista.

Some hon. Members: Hear, hear!

Mr. Trudeau: In so far as the so-called quote from the vice-premier of Cuba, this is the first time I have heard of it. I doubt whether I could agree with the hon. member in the NDP. I doubt whether that would be an accurate quote.

SUGGESTED USE OF PORTION OF CIDA FUNDS FOR CUBA TO EXTEND WHARF IN NOVA SCOTIA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. On January 8, 1975, the Minister of State (Fisheries) informed me that $50,000 would be made available for a 60 foot wharf extension at Vogler's Cove, Nova Scotia, and on June 23, 1975, the minister deferred this work as a result of budget restrictions. In light of the fact that CIDA gave the Cuban National Fisheries Institute $1.7 million in 1975, will the minister ascertain whether CIDA gave all this money to Cuba? If not, will he try to obtain $50,000 to be used as development assistance to Canadian fishermen in Nova Scotia?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Yes, Mr. Speaker.

REQUEST FOR ASSURANCE AID TO CUBA NOT USED IN ANGOLAN WAR

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question for the Prime Minister. Can he assure this House that none of Canada's aid to Cuba is being rechannelled into the Cuban war effort in Angola?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I can give that assurance. Of course, our officials are constantly making sure there is no change in that situation. There was a special precaution taken in the fact that we had chartered two airplanes from Air Canada to Cuba before the Angolan situation developed. Of course, there was nothing in the contract about using those airplanes outside of Cuba. However, when the Angolan situation developed, we insisted on obtaining and did obtain from the Cubans an assurance that those planes would not be used for transporting anything that would, directly or indirectly, assist in the Angolan situation.

ALLEGED NEW AID AGREEMENTS WITH INDONESIA AND EGYPT—COMPLIANCE WITH CANADIAN AID POLICY

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. I ask the minister to confirm that Canada has signed a new aid arrangement with Indonesia for $25 million along with a $1 million aid arrangement with Egypt. How do these two countries, Egypt and Indonesia, comply with Canada's five-year strategy on international aid which is to be directed to the least developed countries?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): In the case of Egypt, Mr. Speaker, when I was in Cairo, I advised the Egyptian government that Canada would make a contribution of $1 million through the United Nations development program for reconstruction of the Suez Canal. Second, I advised that at the present time I had under consideration the provision of economic assistance to Egypt or to include it as one of the countries eligible for economic assistance. Of course, the foreign minister of Egypt informed me when we discussed per capita income figures that in his estimation, the per capita income of that country was less than $100. That certainly would put it among the poorest countries.

With respect to Indonesia, I am not aware of any new contract in the amount of $25 million with that country, but I will check into it and provide the information.

REQUEST FOR REPORT ON CONTINUING CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, last week the Secretary of State for External Affairs said he would report to the House on the north-south conference in Paris and make clear Canada's position on the two commissions to which we have been appointed, energy and development. Will he be making that statement soon? When will it be made? Also, will he clarify Canada's role?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I did say that I would report on the two conferences on International Economic Co-operation in Paris, the first before Christmas and the second later. However, it is not possible to make clear at the moment what Canada's complete or even tentative positions will be at the energy and development commission because these policies are presently under elaboration. I gather that the process of development of policies on the part of every country involved will continue throughout the whole year in which this dialogue will take place. However, I will attempt to oblige the hon. member and the House as well as I can.

* * *

INCOME TAX

REQUEST FOR ESTABLISHMENT OF DATA PROCESSING UNIT IN CAPE BRETON

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of National Revenue. Now that the minister's department has opened a data processing unit in Winnipeg with an accompanying employment of some 1,400 full and part-time workers, will the minister consider doing the same this year for the Atlantic region and putting it in the Cape Breton industrial area where there is an obscenely high level of unemployment?

Hon. Jack Cullen (Minister of National Revenue): Yes to the first question, Mr. Speaker; possibly to the second part.

* * *

GOVERNMENT ADMINISTRATION

SUGGESTED ADOPTION OF POLICY OF DECENTRALIZATION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question for the Prime Minister. In light of the recent seemingly controversial statements before the Canadian Club concerning, among other things, the locational policy of private profit companies, can we expect a more decentralizing policy on the part of the federal government into different regions of Canada, especially slow growth chronic unemployment areas rather than the high employment metropolitan areas of various Canadian provinces?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House knows, particularly under the direction of the President of the Treasury Board, that the government has been taking some very firm steps in the area of decentralization. Of course, we have to balance that always with the necessity of keeping the decision-making powers close to the House of Commons and to ensure that the national capital continues to remain a focal point for all of Canada. However, the decentralization policy is very much a part of general government policy. If the hon. member wants to make any particular representations, I suggest that he address them to the President of the Treasury Board.

Oral Questions

NATIONAL DEFENCE

RADIATION LEVELS IN PORT HOPE AREA—REQUEST FOR IDENTIFICATION OF AREAS WHERE READINGS TAKEN IN 1951 AND 1953 STUDIES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Minister of National Defence of which I have given him notice. In spite of the fact that last week the minister undertook to release the actual radioactive readings and levels found by the army in their exercises in Port Hope in 1951 and 1953, and that yesterday we received only a partial extract of that report, will he now give the actual locations of where the readings were made by the army in 1951 and 1953 in view of the fact that some of the locations are glossed over by referring to such terms as "residual waste deposit sites of Eldorado" when in actual fact one of those sites was and is the Port Hope public beach?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I did agree to give an unclassified report and that was tabled in the House yesterday. The exact location of the disposal dumps of Eldorado are not, of course, known to me personally, but I understand that generally they are north of the city. One is approximately one mile north and the other about four miles to the north and north west.

Mr. Lawrence: In view of the fact the minister obviously refuses to table the full report, I will direct a supplementary question to the Minister of Energy, Mines and Resources. Can he explain to the House the circumstances in which his department and agencies of his department have known since 1951 on the basis of this report alone that such areas as Port Hope Public Beach have registered massively high radiation levels?

● (1440)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I think it was made very clear in previous answers to questions that the report to which the hon. member referred, the exercise undertaken by the Department of National Defence, was an exercise for military purposes and was not a monitoring exercise for civilian purposes.

Some hon. Members: Oh!

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EXTERNAL AFFAIRS

CUBA—BASIS FOR ASSURANCE AID NOT USED IN ANGOLAN WAR—POSSIBILITY AID WOULD CEASE IF PARTICIPATION IN ANGOLAN WAR NOT ENDED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister a question. I was most interested in the answer he gave the hon. member for Athabasca. Would he tell us how he can assure this House and the country that the aid Canada is giving to Cuba is not being used by Cuba in the aggression in Angola and the military penetration with which Cuba is involved?

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): By the nature of that aid, Mr. Speaker, which is, to give one example, assistance in the breeding of cows.

Some hon. Members: Oh, oh!

Mr. Trudeau: I cannot describe all the areas of assistance under CIDA but this point has been made so clearly by the government that if it would satisfy the hon. member I would try to get a list of all the specific items. Perhaps he would wish to look at it, and if he has any thoughts about it I would be very willing to clear up any possible misunderstanding on my part of the way in which the policy is applied. But the policy is quite clear.

Mr. Woolliams: I would be most interested in connection with the discussion which lasted three hours, to learn whether there was any discussion in relation to these aid programs. Bearing in mind that the Prime Minister is supposed to have had some strong things to say about the aggression in Angola, did he state that this aid would be cut off if it were not stopped?

Mr. Trudeau: No, Mr. Speaker, it is not Canadian policy to base our aid on all aspects of the foreign policy of a country receiving it. If we knew that our aid were to serve purposes unacceptable to Canada we would, of course, consider cutting it off. That is why I stated to the hon. member what our policy was. But there is another clear example in that area of the Caribbean. We are giving aid to Cuba but we are also giving aid to Haiti, two very different forms of government and two very different social systems. But we believe there are very poor people in those countries and that they should be helped.

Some hon. Members: Hear, hear!

CUBA—REQUEST FOR STATEMENT BY PRIME MINISTER ON DISCUSSIONS WITH CASTRO CONCERNING ANGOLA

Mr. Walter Baker (Grenville-Carleton): A question to the Prime Minister. In the light of the statement which has been made and the interest shown during the question period concerning Angola and the Canadian attitude to Cuba, particularly to that country's intervention in Angola and in view of the fact that the official joint communiqué only devotes two lines to what has been termed a frank and brutal discussion of this important question, would the Prime Minister not consider making a full statement in the House with respect to what was said during this "frank and brutal" discussion?

Right Hon. P. E. Trudeau (Prime Minister): I can assure the hon. member that if he asks the right questions I can be frank and brutal with him.

MIDDLE EAST—POSSIBLE PROPOSALS BY MINISTER DURING VISIT TO HELP EASE TENSION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs with regard to his mid-eastern trip which has been somewhat obscured by a certain southern safari? Did the hon. gentleman make any proposals or offers to

help abate tension in the middle east and, if so, what were they? What changes, if any, in Canadian foreign policy respecting this area can be expected to follow from the minister's high level, but, I trust, not brutal conversations?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I want to make it clear that there were no proposals on the part of Canada to enter into the situation in the role of mediator. We did not propose any political gestures or manoeuvres which would ease the situation. Certainly, as far as economic relations with all the countries of the area are concerned, and as far as relationships involving the granting of economic assistance are concerned, proposals were made which will, I believe, in the long term, have a very definite bearing on the stability of the middle east. In terms of bilateral relations with a number of countries including Israel, Saudi Arabia and Iraq, concrete proposals were under consideration to accelerate and intensify economic co-operation.

* * *

INQUIRY OF THE MINISTRY

Mr. Maurice Harquail (Restigouche): My question is for the Prime Minister, Mr. Speaker, While we welcome him back, and congratulate him on a most successful trip—

Some hon. Members: Hear, hear!

Mr. Harquail: —my question is not related to Cuba. My question has to do with something which has bothered me, as a member of this House, with respect to a statement which was made by a former Prime Minister when he was appointed to the company of Companions of Honour. I should like to ask whether, in fact, the recommendation was acknowledged and approved by the Canadian government through the Prime Minister's Office.

Mr. Speaker: Order, please. With all due respect to the hon. member, I think it has been understood for some time that questions which occupy a portion of the question period ought to have a currency to them which really cannot be dealt with in any other way, and I do not think this applies to the hon. member's question.

* * *

AIR CANADA

DATE OF APPOINTMENT OF PRESIDENT—POSSIBILITY OF APPOINTMENT FROM WITHIN EXECUTIVE RANKS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Prime Minister. Would the right hon. gentleman advise the House whether he has made a decision with regard to the appointment of a president of Air Canada?

Right Hon. P. E. Trudeau (Prime Minister): I discussed this matter with the Minister of Transport before my departure and I am to see him tomorrow, I believe, to continue our discussion of the subject.

Mr. Paproski: Can the Prime Minister assure the House that the appointment will be made from within the executive ranks of Air Canada?

Mr. Trudeau: The Minister of Transport answered this question some weeks ago by saying we would choose the best possible person regardless of where he may be found.

* * *

EXTERNAL AFFAIRS

ANGOLA—SUGGESTED INVESTIGATION INTO GRANT TO MPLA—REQUEST FOR INFORMATION ON AMOUNT AND TYPE OF AID

Mr. Dan McKenzie (Winnipeg South Centre): A question to the Secretary of State for External Affairs, Mr. Speaker. In the light of the fact that the executive secretary of CUSO-SUCO has confirmed that a grant was made to assist an MPLA organization in Angola and that two of the three volunteers engaged in the project are now back in Canada actively soliciting support for the MPLA, will the minister inform the House whether an investigation has been, or will be conducted into the criteria used before extending government support to such an organization?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I believe the question of assistance to African liberation movements was discussed some time ago, along with the policy which was presented by my predecessor to the Standing Committee on External Affairs and National Defence. As I recollect it, the policy had been to make certain specific grants for humanitarian purposes to liberation movements in Africa. That is the general situation. I will review the matter to see whether in fact any such assistance was made available to the MPLA.

● (1450)

Mr. McKenzie: Mr. Speaker, could the minister also table in the House information on the type of aid that is going to Angola and the amount of money spent, and would he inform the House whether the government is considering selling a nuclear reactor to Angola?

Mr. MacEachen: Yes, Mr. Speaker, I would be pleased to get the information on the question that has been raised. I really do not know which aspiring government in Angola would be able to conclude a transaction for a reactor, even if such were available.

* * *

ENERGY

HEAVY CRUDE OIL—ACTION TO ELIMINATE PRODUCTION AND MARKETING PROBLEM

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources having regard to the serious impact which the federal government's pricing and export policy is having on the production and marketing of heavy crude in the Lloydminster area. Would the minister indicate whether the govern-

ment is contemplating any immediate action to alleviate this problem which sees the massive shut down of many heavy crude oil producing wells in that area with the corresponding economic implications?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, there have been some measures taken in conjunction with measures taken by the Saskatchewan government, and I am referring to the oil export charge and other measures that will be taken for the months of March and April. The National Energy Board has indicated to those who wish to import Canadian crude that they will have 35,000 barrels subtracted from their quotas and will be limited, therefore, to that amount of light crude. By doing it this way there will be an incentive then to the importers to import a significant amount of heavy crude.

Mr. Mazankowski: Mr. Speaker, I can appreciate the minister's answer inasmuch as something is to be done in March and April, but since Husky Oil, which is the major producer in the area, is faced with the prospect of shutting down another 500 wells before the end of February, and I am sure the minister can appreciate the difficulties in starting up the process again after a well has been shut down. I am wondering whether the government is contemplating any immediate action to alleviate this problem in the month of February?

Mr. Gillespie: Mr. Speaker, this is immediate action in the sense that nominations are now being received for the months of March and April.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBILITY OF CHANGES IN EXPORT CONTROL PROGRAM

Mr. James A. McGrath (St. John's East): Mr. Speaker, notwithstanding the assurances given to the Leader of the Opposition on December 19 by the Minister of Finance that our export situation would not be adversely affected by the controls program or the export levies, and in light of the statement made yesterday that this control or export levy program was under review, I should like to ask whether the government is now considering dropping this export control or making any other changes to it?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. speaker, I think my colleague the Minister of Finance made some public reference to this yesterday. Of course, along with that minister I have been aware for sometime that some exporters were looking for some changes. Incidentally, I might say that different exporters are looking for different changes. In direct answer to the hon. member, we are looking at it again, and if we can accommodate some of these proposals we certainly will do so. My own view is that we should not put any serious impediment in the way of exports, obviously, and if we can meet what the exporters are seeking then, as the Minister of Finance has said, we will do our best for them.

[Mr. Mazankowski.]

ANTI-INFLATION PROGRAM—EFFECT OF FAILURE TO REACH DECISION ON EXPORT CONTROL PROGRAM ON SECURING AGREEMENTS WITH PROVINCES

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the fact that this review, or the inability of the government to reach a final decision on the whole business of control on export income is serving as an impediment to a federal-provincial agreement on the over-all controls program, I would ask the minister when the government expects to complete this review?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I would have to await the return of the Minister of Finance to give a specific date on that. I do know that discussions have been going on, even before yesterday, but I am not sure just how quickly the problems can be resolved. As to the reference in respect of the provinces and the holdup in the signing, my information at the meeting yesterday was that there was in effect no serious likelihood of that occurring simply because of the failure so far to resolve the export levy question.

* * *

VETERANS AFFAIRS

DATE OF INTRODUCTION OF LEGISLATION CONCERNING PENSIONS FOR PRISONERS OF WAR

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that last week both the Minister of Veterans Affairs and the President of the Privy Council indicated to the House that within two weeks we might expect an announcement on legislation regarding Canadian veterans who were prisoners of war, would the Minister of Veterans Affairs now confirm that there will be an answer regarding this matter next week?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, in reply to the question I can only give an answer similar to the one I gave last week, that I hope to be able to say something within two weeks of that day.

* * *

PUBLISHING

POSSIBILITY OF "READER'S DIGEST" COMPLYING WITH PROVISIONS OF BILL C-58

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question for the Minister of Revenue. In light of the announcement today by *Reader's Digest* that they may now be able to comply with the contents of Bill C-58 as a result of meetings with officials of the federal government, I wonder whether the minister can indicate to this House what, if any, change might be in the wind or in fact agreed to in relation to substantially the same advertising provisions which would give rise to them changing their view?

Some hon. Members: Order paper.

Mr. Speaker: Order, please. The question clearly anticipates an order of the day.

PUBLIC SERVICE

REQUEST FOR REPORT ON CONTRACT NEGOTIATIONS WITH TEACHERS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the President of the Treasury Board. Sometime ago I spoke to him about the fact that teachers in the federal service have been teaching without a contract since last September, during which time they have been in negotiations with officials of his department. I wonder if he can tell the House how soon we can expect a contract?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, there have been negotiations since the beginning of the week and lasting through part of last night. I was informed this morning that they are close to settlement and I hope there will be a contract very soon.

[*Later:*]

REQUEST FOR CONSIDERATION OF DATE OF OLD CONTRACT WITH TEACHERS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, since the contract that expired was a pre-1974 contract, will the President of the Treasury Board indicate whether the new contract will take that into consideration as far as the benefits teachers will receive are concerned?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, negotiations are still under way. However, when the contract is signed, we will then be in a position to know what factors led to an agreement.

* * *

[*English*]

ANTI-INFLATION BOARD

ALLEGATION CHAIRMAN TRAVELLED FIRST CLASS ON FLIGHT TO TORONTO

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, while I am on my feet I should like to reply to a question posed yesterday by the hon. member for Winnipeg South Centre.

An hon. Member: Motions.

Some hon. Members: Order, order.

Mr. Chrétien: Mr. Speaker, Mr. Pepin travels economy when on Anti-Inflation Board business. The Anti-Inflation Board has purchased only economy tickets for him. On the one occasion to which the question presumably refers, he was as usual carrying an economy ticket but was invited to sit in the first-class section in order to discuss matters relating to the anti-inflation program with a passenger who was travelling first-class.

Some hon. Members: Hear, hear!

Mr. Chrétien: The staff member accompanying him travelled economy class.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM ONTARIO LEGISLATURE

Mr. Speaker: Order, please. Before proceeding with orders of the day, I know that all hon. members would want me to call attention to the presence in our gallery of a very distinguished delegation from the legislature at Queen's Park, the members of a special committee on procedure here to study, among other things, our great success in the question period.

Some hon. Members: Hear, hear!

Mr. Speaker: They are members from the Ontario Legislature headed by their former Speaker, Mr. Morrow.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. MACKAY—SERVICE OF SUMMONS IN CONFEDERATION BUILDING

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter that most nearly touches and concerns the privileges and prerogatives of your office, both as the guardian of our freedoms and as the warden of this House, and no outsider enters to meddle with those freedoms save with your leave and by your licence.

Yesterday I was served with a civil writ of summons, and a statement of claim alleging libel, issued out of the Supreme Court of Ontario. These legal processes were served upon me in the Confederation Building. Similarly served with similar processes were three employees of the parliamentary research office of the caucus of the official opposition. These persons, Mr. Speaker, are employees of the House of Commons and under your appointment, jurisdiction and discipline. All of us accepted service without protest. I do not propose, therefore, to support this question of privilege with a motion. However, Mr. Speaker, it is my information that the process servers sought no permission from yourself or any of your officers to effect their purposes. For your information, Mr. Speaker, the legal heading in the cause is:

● (1500)

Thomcor Holdings Limited, plaintiff, and Christine Johnson, Elmer MacKay, William Neville and Douglas Nixon, defendants.

The writ purports to be issued by Gowling and Henderson, barristers and solicitors, 160 Elgin Street, the city of Ottawa. It was apparently at the behest and in the pay of the plaintiffs and these solicitors that the process servers acted as they did. For myself, Mr. Speaker, I wish to emphasize the following points. I am not raising privilege in respect of this matter on behalf of myself, and I am authorized by the three House employees to state the same upon their behalf. Again, the alleged libellous statements

were deliberately made by me as a private citizen outside this House, without any attempt or desire to protect myself by raising parliamentary privilege to shield myself in a manner not available to any other private citizen of Canada. Finally, I intend to defend this action as a private citizen, on behalf of private citizens, in a court of law that will be free to decide the question at issue on the merits, unhampered and free of the intricacies of parliamentary privilege.

Some hon. Members: Hear, hear!

Mr. MacKay: I leave the matter with you, Mr. Speaker, for your consideration and for such action as you may wish to take in the circumstances upon behalf of members generally and the respect due your office.

Mr. Speaker: Order, please. The hon. member, of course, gave the Chair notice of the question of privilege, which gave the Chair at least a cursory opportunity during the conduct of the question period to verify with the hon. member whether the customary practice of introduction of visitors to this building was followed. In respect of those people who are staff members of the caucus of the official opposition, of course, a question of privilege in the formal sense cannot arise since they are not members of the House. However, in respect of the hon. member, access to this building without his consent or permission by anyone would constitute a question of privilege which would affect very greatly and very obviously the privileges of all members.

The practice, of course, has been customary that visitors call at the security entrances to these buildings and identify themselves, through the security officers there, in order to go to the office of the member. Whether or not that is a sufficiently complete practice, it was in fact followed in this particular instance. The fact that the hon. member is unable, without some information, to determine the purpose and the name of the caller is something to which all hon. members may wish to address themselves. But in any case there is no access to the office of any member—I think I should make this very clear although no action is sought by the proposed question of privilege—in this building except specifically with that hon. member's permission and consent. That is something which ought to be guarded very carefully.

In this case the visitor was admitted with the consent of the hon. member or of his staff. Whether or not it was with full knowledge of the intention of the visit is something to which hon. members might wish to address themselves. The fact of the matter is that, in terms of security of this building, it can be as secure or as relaxed as hon. members wish it to be. Therefore, it might be a matter for the consideration of the very valuable committee, the new Standing Committee on Members' Services, to ascertain whether or not hon. members seek a consensus to determine whether security should be tighter than it is. The effect of it, of course, would be to make access for the public and those who wish to visit the building for the purpose of those in the gallery today much more difficult than it is.

That is a question that has always posed great difficulty for hon. members but in any case there is no motion attached to the question of privilege. The customary practices were in fact followed. If there is to be any change in those customary practices, I suggest it might be a matter for reflection by the new Standing Committee on Members' Services.

Mr. McKenzie: I rise on a point of order, Mr. Speaker, with regard to the prompt answer of the President of the Treasury Board, which I appreciate, in respect of the chairman of the Anti-Inflation Board having the privilege of using first-class facilities. I should like to point out to him that Air Canada regulations clearly state that only persons with a first-class ticket can—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Vancouver Quadra.

Mr. Clarke (Vancouver Quadra): Mr. Speaker, on Friday, by way of a point of order, I raised the matter of an undertaking by a minister, in this case the Postmaster General, to provide more detailed information. The concession was given that the minister was not in the House when that undertaking had been given. I note that Your Honour addressed remarks to this important problem concerning ministers who give an undertaking. I note now that the Postmaster General is in the House, and I wonder if he might be given an opportunity to respond to this point of order.

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

Mr. Smith (Churchill): Mr. Speaker, my point of order arises out of the question asked yesterday of the Minister of the Environment which is to be found at page 10523 of *Hansard*. I asked the minister a question concerning Norway House and his reply was, very correctly, that the survey was so secretive that he did not know about it himself. However, in *Hansard* it is recorded only that he did not know "whether it is a secret", and he said, "but I am not in a position to answer today". I feel the minister's answer at that time does not resemble what is printed in *Hansard*, and that is my point of order.

Mr. Marchand (Langelier): Mr. Speaker, I discovered a report. It was a report of April 15, 1975. It is a public report. The hon. member may have it if he wishes. He will have all the story about it. There is nothing secret about it. I think the Norway reserve will not be affected even marginally by the project of the government of Manitoba.

Mr. Mackasey: Mr. Speaker, I rise on the point of order raised a few minutes ago by the hon. member. The question of obtaining information for the hon. gentleman is quite a valid one. Assuming that the question is asked in good faith for as much information as possible, the hon. gentleman would help his cause by taking advantage of our written questions procedure or at least having the courtesy of giving me advance information of when he intends to ask his question so that I could obtain information for him.

If I had been told ahead of time, as all ministers would like periodically in order to answer an inquiry for detailed information, I would have had an opportunity to check

with the department. Had I had notice that the hon. gentleman intended to ask a question about the theft of 39 mail bags, I would have been able to tell him that a subsequent check with the department showed that the bags were turned over to Air Canada. We have the receipts. The problem is not loss or theft from the Post Office, but loss or theft from Air Canada.

Mr. Speaker: Order, please. The hon. member for Restigouche on a point of order.

Mr. Harquail: I rise on a point of order, Mr. Speaker. While I accept your decision, with great respect, I am sure Your Honour will appreciate that this is my first opportunity to place this question before the House. When I read in the press that a former prime minister of this country said he would only accept an appointment from the Queen if it—

Mr. Speaker: Order, please. The hon. member, I am sure, will realize that his comments are critical of the resolution or interpretation, or seek to add comment to the question which he sought to put which was ruled out of order. They really amount to an appeal against the Speaker's ruling, which I am sure he does not want to initiate or, alternatively, they amount to a discussion of the point which may take place at some other time. Certainly that does not constitute a point of order at this time.

Mr. Harquail: Mr. Speaker, this is my final point. Am I to interpret, then, that your decision is that this type of action has no effect or is of no concern to this House?

Mr. Speaker: Order, please.

* * *

EXTERNAL AFFAIRS

TABLING OF JOINT COMMUNIQUÉ SIGNED BY CANADA, MEXICO, CUBA AND VENEZUELA

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to table under Standing Order 41(2), copies, in both official languages, of a joint communiqué signed by myself and the heads of the governments of Mexico, Cuba and Venezuela during my recent visit to those countries. If I may sum up in a few words what these documents contain—

● (1510)

Some hon. Members: No.

Mr. Trudeau: Then let me just say, in the other language, "Viva Canada y Cuba y viva la amistad entre Canada y estos paises."

Some hon. Members: Oh, oh!

Order Paper Questions

INCOME TAX ACT

MEASURE TO REPEAL EXCEPTION RESPECTING CONFIDENTIALITY OF INFORMATION OBTAINED

Mr. Eldon M. Woolliams (Calgary North) moved the first reading of Bill C-426, to amend the Income Tax Act.

He said: Mr. Speaker this is an act to amend the Income Tax Act and it arises as a result of a decision in the case of *PPG Industries Canada Limited v. the Attorney General of Canada.*

This bill would repeal an exception to the guarantee in the Income Tax Act that information obtained from private persons for income tax purposes would be confidential except for the purposes of prosecution under the Income Tax Act. In 1966 the Income Tax Act was amended to provide that private information obtained in confidence by the Minister of National Revenue for income tax purposes could be used by the government in any criminal proceedings whatever, and against any persons as well as the person from whom the information was obtained.

In consequence of this 1966 amendment, serious abuses occurred. In other words, information which is confidential and private which is filed by taxpayers could be used for other purposes, and the purpose of this act is to plug this hole so that privacy is not invaded.

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

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 69, 2,792, 2,795, 3,516, 3,694, and 3,695.

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

[*Text*]

TRIPS MADE BY THE PRIME MINISTER

Question No. 69—**Mr. Cossitt:**

1. How many trips outside Ottawa were made, in whole or in part, at public expense by the Prime Minister or any members of his family between October 30, 1972 and the date on which the answer to this question is prepared?

2. In each case, by whom was the trip made, what places were visited and for what purpose and what was the specific means of transportation used?

3. Of the total trips made in whole or in part at public expense, how many and which specific ones included at any point therein holidays, private journeys or attendance at any meetings or functions of the Liberal Party, specifically, where and on what dates did such holidays, private journeys or Liberal Party functions occur?

4. Will the Prime Minister discontinue making any private or political trips at public expense and (a) if so, on what date (b) if not, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): 1. Number of trips: Members of the Prime Minister's family

do not travel at public expense unless accompanying the Prime Minister by DOT or DND aircraft or by car.

2. Date	Transportation Used	Place Visited	Purpose
November 19, 1972	Car	Montreal	Private
December 1, 1972	DOT Aircraft	Regina	Regional visit
December 2, 3, 4 and 5, 1972	DND Aircraft	London, England	Meeting with Prime Minister Heath
December 12, 1972	Car	Montreal	Private
December 15, 1972	Car	Montreal	Private
December 23, 1972	DOT Aircraft	Ottawa-Vancouver	Private
December 28, 1972	DOT Aircraft	Vancouver-Ottawa	Mr. Pearson's funeral
January 17, 18, 1973	Car	Montreal	Private
January 26, 27, 28, 1973	DND Helicopter and Car	Montreal	Review Cdn Troops en route to Viet Nam and Regional Visit
February 2, 3, 1973	DOT Aircraft	Kitchener, London (Ont), Toronto	Regional visits
February 15, 17, 1973	DOT Aircraft	Winnipeg and Sudbury	Regional visits
February 21, 1973	DOT Aircraft	Montreal	Regional visit
March 2, 4, 1973	DOT Aircraft and Car	Montreal	Speech "La Jeune Chambre"
March 7, 1973	DOT Aircraft	Toronto	Regional visit
March 8, 9, 10 and 11, 1973	DOT Aircraft	Nassau	Private
March 21, 1973	DOT Aircraft	London (Ont)	Regional visit
April 6, 7, 1973	DOT Aircraft	Montreal and Beauce	Regional visits
April 19, 1973	DOT Aircraft	Vancouver	Meeting with PM of Australia
April 27, 28, 1973	DOT Aircraft	Kamloops, Vancouver	Regional visits
May 4, 5, 1973	DOT Aircraft	Toronto, Hamilton, North Bay	Regional visits
May 11, 12, 1973	DOT Aircraft and Car	Cantons de l'Est	Regional visits
May 25, 26 and 27, 1973	Car	Montreal	Private
June 1, 1973	Car	Montreal	Private
June 5, 1973	Car	Montreal	Private
June 15, 16 and 17, 1973	DOT Aircraft	French River	Private
June 20, 1973	DOT Aircraft	Niagara on the Lake	Accompanying Mrs. Gandhi
June 25, 1973	DOT Aircraft	Toronto	To meet the Queen
June 29, 30, July 1, 2, 1973	DOT Aircraft	Charlottetown	Accompanying the Queen
July 4, 5, 1973	DOT Aircraft	Calgary and Edmonton	Accompanying the Queen and Regional visit
July 7, 1973	Helicopter	St-Sauveur	Private
July 9, 1973	Car	Mont-Gabriel	Economic Council of Canada Lunch
12 July p.m. 13-14-15	DOT Jet Star	Vancouver	Western Objective Conference
23 July p.m. 24-25-26	DOT Jet Star	Calgary	WEOC
July 26 p.m.-27	DOT Jet Star	Vancouver	Private
July 27 p.m.-28	DOT Jet Star	Quebec City	Rt. Hon. Louis Saint-Laurent's funeral
August 4-5	DOT Helicopter	Mont-Tremblant	Commonwealth Conference
August 14-20	DOT	Campobello Island	Private
August 24	car	Montreal	Private
September 22	DOT	St-Andrews, New Brunswick	Regional Visit
September 22 p.m.-23	DOT car (return)	Montreal	Private
September 25-26	DOT Helicopter	St-Sauveur	Private
October 8-19	DND	China	Official Visit
October 25-26	DOT and DND	Nova Scotia P.E.I.	Testimonial Dinner for Hon. A. MacEachen
November 10	car	St-Sauveur	Private
December 5	DOT	Mount Royal	M.R. Liberal Ass. Reception Ouverture de la maison Radio-Canada
December 6-8	DOT Jet Star	Vancouver	Regional Visit
December 13	DOT Jet Star	Montreal	Speech—Economic Council of Canada
January 19-21, 1974	DOT	Montreal	Liberal Convention Fund-raising cocktail
January 27-February 6	DND commercial (return)	Europe	Club of Rome Meeting
February 7-11	Commercial, commercial (return) Toronto (DOT)	Antigua	Private
February 14-15	DOT	Toronto	Regional Visit
March 6	DOT	Toronto	Fund-raising dinner
March 21 p.m.-24	car	Mont-Tremblant	Private
March 30	DOT	Saint-Grégoire	Partie de sucre
April 1	DOT	Toronto	Taping-Front Page Challenge
April 4 p.m.-8	DND	Paris	Funérailles de M. Pompidou
April 12-17	DOT Jet Star	Barbados	Private
April 25-27	DOT	Hamilton Toronto Sudbury	Ontario Travel
May 12	DOT	North Carolina	Duke University Honorary Doctorate in Law
July 12-13-14-15	Helicopter	Saint-Sauveur	Private
August 12-13	DOT	Québec	Fête de la Francophonie
August 14-17	DOT	Île d'Anticosti	Private
August 23 p.m.-24	DOT	New York	Private
September 5-6	DOT	Vancouver	Regional Visit
September 7-9	DOT	Alberta	Regional Visit
September 17	DOT	Quebec City	Messe solennelle Hockey -Cda/URSS
September 22	helicopter	Montreal	Private

[Mr. Sharp.]

do not travel at public expense unless accompanying the Prime Minister by DOT or DND aircraft or by car.

3. Visits listed as private include holidays and private journeys. In the case of regional travel the Prime Minister participates in a variety of events some of which may be sponsored by provincial or municipal groups and others by the Liberal Party.

4. The Ministry of Transport is responsible for the provision of short to medium range airlifts of the Governor General, Ministers of the Crown, Members of the Royal family or foreign dignitaries visiting Canada, Parliamentary Committees or Delegations on official business and, from time to time, federal officials on government business. These flight operations are mainly confined to the North American continent. For its part, the Department of National Defence operates an air service for the transportation of its personnel. However, on occasion, it is called upon to provide special flights for other government departments. This occurs when the demand for such airlifts exceeds the Department of Transport's capacity, or when a transoceanic air airlift is required, since MOT's service is primarily limited to domestic operations. As just mentioned, the Department of National Defence operates certain regular flights of armed forces aircraft to Europe. Unassigned space is made available upon application to Members of Parliament at no cost. The aircraft are manned by crews made of public servants or of members of the Canadian Armed Forces or both. It is not deemed to be in the public interest or in the interest of the traditions of a non-political public service to answer questions calling for the names of such persons. Except during general election campaigns, the Prime Minister, when travelling by air, uses government-owned aircraft. This policy is based on the practice of successive former Prime Ministers, who, when travelling about Canada, had the use of a private railway car owned by the Government. In May 1968, the Prime Minister, following the practice adopted by his predecessor, issued guidelines governing the use of official aircraft by Ministers during a general election campaign. These guidelines, which still prevail, provided that official aircraft were not to be used for purposes related to the election campaign. This means not merely that government business must be involved in any such journey but that official aircraft may be used only when the performance of government business is the sole public purpose of the trip. The reasons that the Prime Minister travels in government-owned aircraft, except as provided above, are that he often requires travel facilities on short notice, he should be able to come back at once to Ottawa in cases of a national emergency, he often requires privacy so that he and his staff may work while travelling, he wishes, as a rule, to avoid inconveniencing the travelling public on commercial airlines and he has been advised that government facilities should be used for security purposes (see page 8618 of *Hansard* for December 11, 1973). Information about the official trips of the Prime Minister both within Canada and abroad is communicated to the media as a matter of course. Details concerning the destination, purpose and general duration are made public. For security reasons, both for the Prime Minister and accompanying persons and for crew members, it is deemed preferable not to disclose too precise details such as actual departure and arrival times, stops en route, itinerary, place of accommodation of crew members and support staff, etc. Information about the private trips of the Prime Minister, his family, and any accompanying persons is communicated to the media in summary form only.

SUPPLIES AT PRIME MINISTER'S OFFICIAL RESIDENCE

Question No. 2,792—**Mr. Cossitt:**

With reference to the answer to Question No. 1,666 which stated in part that the Department of Public Works spent $89,196.53 for "supplies" at the Prime Minister's official residence at 24 Sussex Drive during 1973-74, what is a complete list of all items making up this total along with the cost in each case?

Hon. Mitchell Sharp (President of the Privy Council): For practical reasons, there must be some limit as to the detail provided in answers to questions relating to expenditures. This question seems to exceed that limit.

SUPPLIES AT PRIME MINISTER'S RESIDENCE

Question No. 2,795—**Mr. Cossitt:**

With reference to the answer to Question No. 1,667 which stated in part that the Department of Public Works spent $3,577 for "supplies" at the Prime Minister's official residence at 24 Sussex Drive during 1974-75, what is a complete list of all items making up this total along with the cost in each case?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question 2,792.

QUESTIONS ON THE ORDER PAPER CONCERNING MATTERS PERTAINING TO THE PRIME MINISTER

Question No. 3,516—**Mr. Cossitt:**

Are written questions on the *Order Paper* concerning matters pertaining to the Prime Minister now being answered by the President of the Privy Council rather than by the Prime Minister as in the past and, if so (a) for what reason (b) on what date was such a change made (c) who authorized the change (d) will the Prime Minister be answering such questions in the future?

Hon. Mitchell Sharp (President of the Privy Council): On some occasions when the Prime Minister is out of Ottawa, in order to expedite the process of answering written questions, the President of the Privy Council in his capacity as Acting Prime Minister, signs responses to the Prime Minister's questions. In addition, it is the practice of the government that the President of the Privy Council deals with any questions with which there appear to be procedural considerations involved.

BROCHURE ON THE PURCHASE OF OLYMPIC COINS

Question No. 3,694—**Mr. McKinnon:**

1. What is the cost to the government of the brochure distributed over the signature of the President of the Treasury Board to employees recommending the purchase of Olympic Coins, including distribution costs?

2. Is any costing being done of the time spent by public servants on such duties supporting the Olympic Games?

3. Have arrangements been made for COJO to reimburse the government for such expenditures?

Hon. Jean Chrétien (President of Treasury Board): 1. The costs of the brochure in question are recovered from

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the proceeds resulting from the sale of Olympic coins before the profits are transferred to the Comité Organisateur des Jeux Olympiques (COJO).

2. Yes, costing is done for duties of civil servants directly related to the Olympic Coin Program.

3. Costs incurred by the Olympic Coin Program are deducted from the proceeds of sales before any remittance is made to the Comité Organisateur des Jeux Olympiques (COJO).

RENTAL OF GREENWOOD CHEESE FACTORY, SARSFIELD, ONTARIO

Question No. 3,695—**Mr. Nystrom:**

1. Has the Department of Public Works rented the old Greenwood Cheese Factory in Sarsfield, Ontario and, if so (a) for what purpose (b) on what date was the lease signed and for what period of time (c) on what date (i) did the lease come into effect (ii) does the lease terminate (d) what is the monthly rental rate of the lease?

2. Are there any escalator clauses in the terms of the lease and, if so, what are their terms?

3. For what reason was the Greenwood Cheese Factory chosen over other vacant cheese factories in the area?

4. Is Albert Bélanger the principal owner of the old Greenwood Cheese Factory and is he the lessor in the agreement to lease?

Hon. C. M. Drury (Minister of Public Works): 1. Yes. (a) For the purpose of providing accommodation for experimental animals for Health Protection Branch, National Health and Welfare. (b) March 23, 1973, for a term of three years from March 1, 1973 with two options of one year each. (c) (i) February 15, 1973. (ii) February 28, 1977 with a further option of one year. (d) $1,918.95.

2. Yes. An amount equal to any increase in taxes over base year 1974 and cost for heating in excess of cost for base year 1975.

3. The said premises were chosen by the client, Health Protection Branch, who requested that the Department of Public Works lease the building.

4. The premises are leased from Greenwood Cheese Co. Ltd., of which Mr. J. Albert Bélanger is president.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House proceeded to the consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Speaker: Order, please. There are 12 motions at the report stage of Bill C-58 and it would appear to the Chair, after a cursory examination at least, that the Chair should not intervene, from the procedural point of view, in respect of any of them. However, if any points of procedure or points of order are raised in respect of any of the motions, of course the matter may be discussed as each motion is put before the House. It would appear obvious that motions 1 and 12 are related in that motion 12 is consequent upon the acceptance of motion 1. Accordingly, it is the view of the Chair that these two motions should be grouped together for the purposes of debate and for one division.

Motions 2 and 3 should be discussed together, but probably would require separate divisions. Motions 4 and 5 are suitable for grouping for debate. A vote on motion 4 would appear to dispose of any necessity of a vote on motion 5. Motion 6 appears to be procedurally in order and should be both discussed and voted on separately. Motions 7, 8, 9 and 10 standing in the name of the hon. member for Surrey-White Rock (Mr. Friesen), and motion 11 in the name of the hon. member for Fraser Valley West (Mr. Wenman), appear to be suitable for discussion together, but a separate division would be required on each motion.

It should be noted, of course, that because of the similarity of motions 7, 8 and 9, in the event that any of these motions are accepted, editorial changes will have to be made to the motions that follow. Motion 10 is consequential upon the acceptance of motions 7, 8 and 9, and obviously no vote would be necessary unless one of those three motions is accepted by the House.

Mr. R. Gordon L. Fairweather (Fundy-Royal) moved:

Motion No. 1.—That Bill C-58, An Act to amend the Income Tax Act, be amended in clause 1 by striking out line 12 at page 1 and substituting the following therefor:

Periodicals dated after December 31, 1976.

Motion No. 12.—That Bill C-58, An Act to amend the Income Tax Act, be amended in subclause 4(1) by striking out line 35 at page 2 and substituting the following therefor:

force on the 1st day of January, 1977.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, with reference to your comments, the House leader agrees with the grouping that you presented. With reference to the acceptability of the motions that have been presented, I simply wish to give notice and file a caveat with reference to motions Nos. 2, 3, 4 and 5 which deal with content. While we have our reservations as to the procedural acceptability of those particular motions, we recognize that there has been considerable debate directly on the content aspect, and therefore we would agree that we should debate those particular motions. However, we wish to file a caveat relating to the relevance of those motions to the bill that is being studied. With reference to motions 7, 8 and 9 we will be making representations to Your Honour relating to their acceptability, alleging that those motions are not acceptable procedurally.

Mr. Speaker: Order, please. I understand the position respecting motions 7, 8 and 9 is that an argument will be put forward about their procedural regularity. Of course, that will be discussed at that time. However, I am not clear on the position with respect to motions 3, 4 and 5. I understood the parliamentary secretary to say that there was a desire on his part, or on the part of the government, that those motions be debated; however, there were some

reservations as to their procedural regularity. I do not know how he can have it both ways. Either there will be discussion about their procedural regularity or there will be a debate. But I want to be clear at this point whether we should anticipate an objection to the procedural regularity, and therefore to a debate on the content of the motions, or whether, while there is some reservation, there will be no argument suggesting the motions are not in order.

Mr. Blais: Mr. Speaker, we have looked at the motions and have determined that there is some question as to their acceptability. However, those questions are borderline, and in view of Your Honour's position initially when you addressed yourself to the various motions, we accept the ruling you have made with reference to them.

Mr. Baldwin: Very, very good.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Fundy-Royal (Mr. Fairweather) on motions 1 and 12.

Mr. Fairweather: It will take me a little while to swallow that. However, we all love the parliamentary secretary and know he is trying to make his points, so we will forgive him.

● (1520)

There has been a curious addition to this debate which is very appropriate to discuss on motions 1 and 12. It is rather unfortunate that I was handed this press release unsigned. It looks as though it came from some government department. However, I think it was in a *Reader's Digest* envelope. It was handed to me just as I entered the House, although the subject has been current for some time. I wish to put this on the record because it will have some effect on how the debate goes. Then I will have some questions to pose to the Secretary of State (Mr. Faulkner) and, hopefully, the Minister of National Revenue (Mr. Cullen). Perhaps we could resolve quite a number of questions on the matter of content vis-à-vis publications, leaving aside those issues having to do with broadcasting. The news release reads as follows:

> It was announced by *Reader's Digest* today that, after an examination in depth of the interpretation and application of section 19 of the Income Tax Act as it will apply if and when Bill C-58 is adopted, and, after discussions with officials of the federal government, it has come to the conclusion that the steps it has already taken or under way to conform to the amended statute, will permit it to continue to publish its French and English editions in Canada in such a way as to have them classified as Canadian issues of Canadian periodicals for income tax purposes.
>
> The result will be, it stated, that advertisers in its periodicals will continue to have the right to deduct their expenses for advertising space for income tax purposes.

I do not know what ruling has been made, but I am sure parliament is entitled to know. This is rather a key question. I am not even remotely suggesting there is anything underhanded about this. I want to know, and the House is entitled to know, what bargains have been struck by the Minister of National Revenue and his officials to make *Reader's Digest* feel that it can live with the content rule. I think this is extremely apposite.

I shall not continue at this stage for very long if the minister indicates he will be giving a substantive answer to this question. I am somewhat upset by the fact that in general one can apparently jettison a principle—that is, the 80 per cent content rule—or that those of us who have resisted the content aspect of this legislation should have to cease to make the points we want to make just because *Reader's Digest* has had some discussions with officials which makes it comfortable with Bill C-58. It does make it rather awkward to carry on the debate, not knowing what the undertakings have been. I think we are entitled to know what the discussions were.

I must say that the officials of the department were very frank and forthcoming—which is in the best traditions of the public service of this country—when they appeared before the committee, but I want to know, and the House is entitled to know, what has happened since to make *Reader's Digest* able to live with the bill. If the hon. member has something to say, perhaps he will say it in a moment. This is quite a serious point. It will seriously affect the length of this debate if the minister is able to give us an assurance.

We all know *Reader's Digest* has filled our offices with an alarming amount of paper telling us about the difficulty they would have. Now, after discussion with officials of the federal government, they have come to a different conclusion. We would like to know the purport of the discussions and how *Reader's Digest* is now able to take such an about-face: it is almost a faster about-face than this government made with regard to wage and price controls from 1974 to 1975.

Mr. Jack Cullen (Minister of National Revenue): Mr. Speaker, I welcome the opportunity of participating in the debate. I intended to make substantive comments when the second motion came up for debate. The first one, having to do with the time element, did not in fact involve myself or my department.

Following the issuing of the press release in October, 1975, along with my colleague the Secretary of State (Mr. Faulkner) I appeared before the standing committee and several questions were raised at that time involving—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I should like to know where we stand. I was expecting that the hon. member for Fundy-Royal (Mr. Fairweather) would speak to motion No. 1 which he moved. He has not yet done so. By relinquishing the floor, has he lost his right to speak to motion No. 1?

Some hon. Members: No.

Mr. Fairweather: I was very much hoping that this debate could be shortened by a statement. I find the House a comfortable place in which to ask questions and to receive answers. I will not need to make very much of a speech if the minister can give the assurances I have asked for by way of a question.

Mr. Knowles (Winnipeg North Centre): I just do not want the hon. member to lose the opportunity to make his statement.

Mr. Fairweather: Thank you.

Mr. Deputy Speaker: Order, please. It was my understanding that the hon. member had made his contribution in the expectation that the minister would satisfy him, and that he had spoken on his motion.

Mr. Cullen: As I indicated, the press release was issued in October, 1975, and following my appearance before the standing committee there were several questions raised about the uniqueness of digests. We indicated there, and have indicated publicly, that it was not the intention of the legislation as produced by my hon. colleague to preclude the operation of a digest in Canada. As a result of questions which were raised in the committee as to whether this legislation in fact had that effect, I again discussed the matter with my officials and subsequently talked to counsel for *Reader's Digest*.

It seemed to me at the time that the legislation would have that impact, that is, that it would preclude digests, so that if two, three or ten Canadians got together and decided they were going to have a Canadian digest 100 per cent owned by Canadians, with the editing and publishing being done in Canada, it would be theoretically possible for them to operate in Canada under the 80 per cent rule, but it would be for all practical purposes impossible because of the unique nature of digests.

I then discussed this at some length with counsel for *Reader's Digest* and I asked them also to discuss it with my officials. At that time it seemed really academic, because *Reader's Digest* had indicated publicly through Mr. Zimmerman that it did not intend to abide by the 75 per cent ownership rule. That being the case, any discussion about content and the 80 per cent "not substantially the same" rule seemed to be really an exercise in futility because they were not prepared to go down this route. In conversations with counsel for *Reader's Digest* we more or less operated on the basis of assuming that that in fact will take place.

We have a proposition, or a proposal to make that we can abide by the 80 per cent rule provided it is clearly understood that if the United States *Reader's Digest* secures its material from American or, for that matter, British magazines and that material is used in the U.S. *Reader's Digest*, and if that same article was condensed and used in the Canadian one, would that be considered as 80 per cent different? We considered that and decided, because of the unique nature of digests that we would accede to that, so the 80 per cent rule holds.

Some hon. Members: Oh, oh!

● (1530)

Mr. Cullen: But in extending this to make this provision, we felt we should accommodate digests, not *Reader's Digest*. On that basis we indicated that we were prepared to give that interpretation. That press release, I would assume, has been issued by *Reader's Digest*. The hon. member indicated that it looks like a government release, but it is not a government release.

Mr. Fairweather: Mr. Speaker, will the minister permit a question?

[Mr. Fairweather.]

Mr. Deputy Speaker: Order, please. We will have to ascertain if the rules permit a question. The hon. member knows we are not in committee of the whole, and he has already spoken on the motion. I want to make sure that he just wants to ask a question of the minister. He can ask a question, but I would not want to have cross-examination across the floor. It has been the practice to allow members to ask a member who has spoken to give an explanation or answer one question, but not to do it in the same manner as in committee of the whole. I will allow this question, but I hope it will not be cross-examination.

Mr. Fairweather: Thank you, Mr. Speaker. I wonder if the minister would say, as a result of this very interesting statement, whether the comments he gave before the standing committee—I will paraphrase them—namely, that if the 80 per cent rule were found to be ultra vires or beyond the powers of the legislation, the minister would consult his cabinet colleagues about amending the rule, are now moot in so far as *Reader's Digest* is concerned?

Mr. Cullen: No, Mr. Speaker, the rule stands. I have had some criticism of the fact that I said the 80 per cent rule is an interpretation. It is an interpretation. It is not an amendment to the regulations, as has sometimes been indicated in the press. It is an interpretation that was given about the meaning of "not substantially the same". Because it was an interpretation, I felt I had to have the backing of my cabinet colleagues on it. I indicated, as a courtesy to publishers and those who might consider advertising in these magazines, that if this were challenged through the usual tribunal and it was not substantiated, then it would be the intention of the government to bring in a new notice of ways and means motion to define that "not substantially the same" means 80 per cent difference. But the advertiser who successfully challenged would be able to write it off in the current year. It would not be retroactive.

The reason for indicating this to the publishers was to save the expense and frustration of going down this route, conceivably winning a case and then finding that the government moved in and applied the hammer. This is not an unpredecented move. It has happened on many occasions that a government has indicated it proposed to go a particular route and what the intention of legislation was, then it has been changed by a decision of the courts or a loophole has been found. In order to give effect to the government's intention, the bill has subsequently been amended but not amended to give a retroactive effect.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I should like to speak to motion No. 1. The events of the past few moments underline the wisdom of this motion, the effect of which would be to postpone the effect of this bill until December 31, 1976—a one-year delay. The confusion now existing about the effect of Bill C-58 has just been multiplying. Last May an interpretation was offered by the office of the Minister of National Revenue to the effect that a content of roughly 50 per cent difference would be acceptable. That was overruled by fiat from the office of the Minister of National Revenue, by a press release under his own name in which the 80 per cent content rule was enunciated. That led to great discussion in the committee following second reading of the bill.

The committee tried to bring before the government evidence that the 80 per cent rule was unfair, would be ineffective and practically impossible to police. Members of the committee from both sides were disposed to find an accommodation whereby the committee would be able to report a recommendation that the 80 per cent content be reduced. What is happening now is that the bill is to be allowed to stand with the 80 per cent content, but interpreted by the department in such a way that *Reader's Digest* will be able to continue to publish in its customary manner.

I suggest to Your Honour and to the minister that this is bringing us back to the very situation that Bill C-58 was intended to obviate, namely, the existence of special status for certain magazines. *Time* and *Reader's Digest* had special status, and a great effort was made to find a way in which Canadian publications could be enhanced. The method the government submitted was, as was repeatedly said on second reading in the House and in the committee by witnesses of diverse background, an unfair way.

I suggest to Your Honour that at the very least the bill ought to be referred back to the committee in light of the astonishing developments today. If I were the editor of *Time* magazine for which this bill has disastrous implications, as well as for *Reader's Digest* until a few moments ago, I would be asking if there was any chance of negotiating with the minister to find a formula through which the interpretation for *Time* would be allowed in the same way as for *Reader's Digest*.

I recall, at the committee hearings, the editor and publisher of *Time* magazine submitted in rough form a proposal for a new *Time Canada*. Under the changes proposed for that magazine they considered it should be able to qualify under a reduced interpretation. If we are to go along with what has been suggested this afternoon, namely, that *Reader's Digest* be allowed to continue and meet the requirements of this bill when it becomes law, then I submit the same opportunity ought to be given to *Time* magazine. I think the same holds true especially for the auxiliary publications also affected by this bill, for whom a great deal of concern was evidenced in committee but which do not hit the public eye as much. I speak particularly of *MD of Canada*, a magazine of great import to the medical profession which makes a very special contribution to medical knowledge in this country.

Motion No. 1 underlines the necessity of delaying the implications of this bill for one year once it becomes law. Even before that, however, I believe it would be grossly unfair of the government, in light of the interpretation on behalf of *Reader's Digest*, not to resubmit this bill to the committee for a thorough examination of how the full aspects of interpretation will be ruled on in the case of all publications that would be severely affected.

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I, too, wish to speak in support of this particular amendment. Nothing has given greater cause for that support than the words of the Minister of National Revenue (Mr. Cullen) a few moments ago. Having been on the committee, and having seen this bill progress from tragedy to tragedy and chaos to chaos, I feel we have only added fuel to the fire today. The minister indicated that he looks forward to the time when he can make a more definitive statement about his negotiations and consultations with *Reader's Digest*. This has left us in a quandary.

If I understood the minister correctly, if the Canadian edition of a digest, any digest, reprinted an article that had appeared in a parent, whether it be a United States parent or not, which article was directly commissioned by the parent, then it falls within the 80 per cent test. If, however, the journal printing that article had not been directly commissioned, but it had been a condensation or reprint from any other publication in the world, then it would not fall within the 80 per cent rule. I hope the minister will rise on a point of order to correct me if I misinterpreted what he said.

● (1540)

What if an article appeared in the German edition of *Reader's Digest* or in any other publication: would it be considered? In other words, are our tax collectors directing their minds only to what is happening to the United States parent edition in order to determine whether an article falls within the 80 per cent rule, or will they consider articles in all editions of the Digest?

Second, will the minister explain, hopefully during the debate on the proposed amendment, whether the provision previously referred to relates only to the United States parent edition, or to other editions controlled by the U.S. parent, or is the matter broader than that? Will the authorities go so far as to determine whether the U.S. parent edition has an indirect association or connection with some other publication? For example, if *Reader's Digest* were to be involved with an interlocking board of directors, with publication XYZ, say, would our tax collector look at publication XYZ because of their association with the *Reader's Digest* parent company?

I reaffirm what the hon. member for Edmonton-Strathcona (Mr. Roche) said. Although the minister has denied vigorously the sorts of allegations the hon. member made, it seems to me that *Time*, in the matter of their negotiations with the Department of National Revenue, were sold down the river. Without doubt, men of honour stood before the committee and said they were left with the clear impression that the content rule was not to be one involving 80 per cent. Subsequently, under what is known as the Cullen rule, they were zapped with the 80 per cent provision. They were knifed in the back with that 80 per cent provision.

I do not want this legislation to be passed in that atmosphere. I do not think legislation should be enacted in an atmosphere of distrust, particularly legislation involving the Department of National Revenue. Although on occasion we have all argued with the Department of National Revenue, that department for many years has enjoyed a reputation of integrity and can be proud of it.

The hon. member for Edmonton-Strathcona referred to *MD of Canada*. One could include other medical publications in what he said. Certainly, we should direct our attention to those publications. What is the position with regard to such publications? I know that the Secretary of State (Mr. Faulkner) feels that he is in a shooting gallery, that foreign publications are daily taking potshots at him. Since the Minister of National Revenue is more sensitive and sensible about this particular issue than his cabinet

colleague, I urge him to accept the amendment proposed by the hon. member for Fundy-Royal (Mr. Fairweather).

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to express my concern about what is happening. I am very sympathetic toward efforts to encourage Canadian publications, writers and artists in general, but find it difficult to accept what has been put before parliament and what seems to be happening.

The position taken by the Minister of National Revenue (Mr. Cullen) on what is meant by "substantially different", and to what extent a publication must be different in order for its advertisers to claim a tax credit is, in all fairness, substantially different from the position his predecessor seemed to take as stated in the House. Clearly, there is nothing in the bill to prevent the minister's successor, of whatever political stripe, or his colleagues in government from redefining what "substantially different" means. Surely that is not acceptable to members on either side of this House. That is not how we like to do these things in this country. There is no certainty to this measure. Basically, the government is following an arbitrary procedure.

At the moment I am not expressing any view on the 80 per cent difference rule or content rule. One might accept it in principle; I am not expressing any view on that. One might accept the necessity for some such law requiring Canadian advertisers to use Canadian-owned publications, that is, 75 per cent Canadian-owned, containing material that is 80 per cent different from something printed in the United States, for example. Even if we could agree on that, how many of us can accept the idea that the definition as to what is substantially different can be pulled out of the air by the Minister of National Revenue or his cabinet colleagues and changed from time to time? As it is, there is nothing to prevent their changing it two weeks from now or one year from now. There is nothing to prevent some successor government changing it. That is the point. Surely, this is a most unacceptable way of proceeding.

Some hon. Members: Hear, hear!

Mr. Stanfield: I am not attacking the Minister of National Revenue personally. I think he is acting in good faith. The same applies to the Secretary of State (Mr. Faulkner). I accept their sincerity although suggest that they are most misguided on this occasion. This afternoon the Minister of National Revenue gave a good example of how subjective the implementation of this law is to be and will continue to be. In days of old when the law of equity was developing, it used to be said that the interpretation of the law depended on the length of the chancellor's foot. What is meant by "substantially different" will depend on the judgment from week to week, month to month and year to year of the Minister of National Revenue. It will depend on the interpretation of different ministers.

It may be said that we have had in Canada for some time provisions governing broadcasting and Canadian content of broadcasts. At least these provisions are administered in public by a commission which operates in public. It is not—I hope the minister will not take offence—a hole-in-the-corner operation of the kind associated with this legislation. That is how it is to continue. The minister has indicated a tendency which would make it possible for *Reader's Digest* to continue to operate. I do not want to dissuade him, because I happen to think that *Reader's Digest* should continue to operate. Nevertheless, the ruling in question is peculiar.

The test as to whether something is different, as I understand it, depends on its origin, not whether it happens to be the same as something being published in the United States, for example. Are we to have a succession of ingenious developments of this sort in relation to the application of this bill? I say as earnestly as I can, and without wishing to take too much time, that the 80 per cent provision is not embodied in any statute. It is only something which came out of the mind of the minister or the minds of his colleagues. It is arbitrary in that sense. It is also completely arbitrary in the sense that it can be changed whenever the minister changes his mind or whenever his cabinet colleagues change their minds. In that event there is to be no public discussion: there is to be a nice, cosy discussion within the confines of the minister's office or possibly in the cabinet room.

● (1550)

Is that the way we want to aid Canadian culture and Canadian publications? Is that the way we want to operate in this country? It is a secretive hole-in-the-corner kind of operation; it is fundamentally and totally arbitrary. I cannot support it. The government should think longer about this. I believe the motion calls for a deferral. The most charitable thing I can say for the minister and his colleagues is that they must be totally confused and mixed up or they would never have put this kind of proposition before parliament or this kind of interpretation before this House.

In order to prevent their making fools of themselves in perpetuity, I suggest that they defer further consideration. I suggest that they not impose their large majority upon this House, nor put through something, no matter how well motivated the idea may be. The method of interpreting, application and administering, in view of its arbitrariness and secretiveness, is opposed to the whole Canadian tradition of law and the way we want to see governments doing things.

Some hon. Members: Hear, hear!

Mr. Stanfield: I am not at this point going to discuss the wisdom of having a rule which states that in order to get these tax benefits one must advertise in a Canadian publication that is 80 per cent different. That is just something the minister pulled out of the air. I may want to discuss that later. I say to both ministers through you, Mr. Speaker, that with this arbitrary, secretive way of proceeding, resulting in the kind weird sort of ruling the minister indicated he has given to *Reader's Digest*, is unacceptable to this side of the House. It is surely unacceptable to anyone who still believes in the fundamental principles of a liberal democracy.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I just want to speak briefly to this first amendment. I remind hon. members that it does not deal with the matter of "not substantially the same". It deals specifically with the proposition that the bill should be delayed for a

further year. I am only going to talk about that particular point. I might say, in passing, that I find the charge of secrecy levelled by the Leader of the Opposition (Mr. Stanfield) to be something of a specious, hollow and regrettable charge. There has not been a piece of legislation in the ten years I have been in the House of Commons that has been subjected to anything like the searching examination the propositions contained in this rather simple bill have been subjected to, and not only in the House but in the country at large. No other piece of legislation has generated more mail on both sides of the question or more letters to the editor, unless possibly the matter concerning the hunting of baby seals.

This issue has been openly examined in the committee. Officials have been available to answer questions from hon. members. Questions have been asked and interpretations have been given. I regret the fact that in his continuing campaign against this bill and what it is attempting to do, the Leader of the Opposition at this stage of the game has introduced specious charges of secrecy and things of that kind.

When one looks at the proposition that this bill should be given another year's delay, it becomes increasingly difficult to take the opposition seriously. I have had a chance to review the history behind this bill, a bill that is obviously concerned with trying to create equity in the imposition of the tax law in terms of periodicals. That, of course, deals with the whole proposition of trying to provide some assistance to periodicals. One need only go back to 1923 when a Conservative member of parliament, Mr. Hocken, obtained the unanimous approval of the House for his motion that measures be adopted to encourage the publication of Canadian periodicals. From there we go to the regime of the Right Hon. R. B. Bennett and the fact that he introduced a tariff. One traces it through reference to the study of the periodical industry in the Massey report. In 1956, a 20 per cent tax on advertising was contained in a budget. There was the reneguing of that tax by the subsequent Conservative government.

A royal commission went into, at length, the needs of this industry and the need to do something. It concluded, in 1961, that a nation's domestic advertising expenditure should be devoted to the support of its own media communications and that a Canadian periodical is one published in Canada, owned either by Canadian citizens or by a company incorporated under the laws of Canada or one of its provinces which is controlled and directed by Canadian citizens and is not a licensee or otherwise substantially the same as a periodical owned or controlled outside of Canada. All that was said back in 1961.

What has been the record of this parliament since then? Has the problem disappeared? Have those problems disappeared that one of the greatest civil libertarians of this country, Gratton O'Leary, studied? Of course not. All that persists in this debate is the obstruction and refusal to act on the part of members of this parliament. This is now being led by members of the official opposition. They can charge secrecy. They can charge that 80 per cent is too high. They can live with 50 or 60 per cent. These are games of arithmetic. However, the problem persists. Therefore, I suggest that this House should reject, and reject in a definitive fashion, any notion or suggestion, and in particular any motion, that asks for a further delay in dealing with this matter.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, it may come as some surprise to members of the House that when this bill was first introduced I was at least mildly interested in supporting it. First of all, like many hon. members, I wanted to repatriate foreign industry back to Canada and have as much indigenous publishing industry here as possible and belonging to Canadians. However, as I began to examine the fundamental and underlying issues before us in this debate and in this legislation, I could not help reaching the conclusion that I not only had to oppose this bill, but should oppose it vigorously and do all I could to prevent its passage, or certainly, in the context of this amendment, delay it.

● (1600)

The Secretary of State (Mr. Faulkner) said there has been no legislation before the House which has enjoyed such openness and examination from all parts of Canada. It may be that the bill has undergone that kind of scrutiny. It is a short bill and, seemingly, a simple and innocuous bill; but the fact remains there are other matters related to it which have not been put openly before the Canadian public. I refer specifically to the kind of negotiations which have been going on behind the scenes between members of the Department of National Revenue and other various elements.

An hon. Member: Not to mention the Liberal caucus.

Mr. Friesen: Not to mention the Liberal caucus. The fact is, the great difficulty about this legislation is that the so-called Cullen rule is not part of it. This clearly shows the sloppy way in which the bill was drafted in the first place. The former minister of national revenue stated that he would be satisfied with a 50 per cent or 60 per cent content rule. Then, as the committee met to discuss the legislation, the head of the Maclean-Hunter board established under questioning that Maclean-Hunter had interceded with the minister several times for no less than 80 per cent; they would like to have had 100 per cent "substantial difference" but they could live with 80 per cent. I quote from page 25:63 of the committee proceedings, where Mr. Hodgkinson is reported as saying:

> We made a suggestion to them that if it was less than 80 per cent the Canadian magazine industry would be in grave difficulty of survival.

That, I suggest to the minister, was not under public scrutiny. These were private, almost clandestine negotiations going on between leaders of the industry and officials of the Department of the Secretary of State and the Department of National Revenue. The Secretary of State can say as often as he wishes that the legislation was open before the Canadian people. The fact is that the operative clauses of the legislation and the rulings have not been under public scrutiny. If the Secretary of State wants to be genuine and serious about openness in this legislation, let him work together with the Minister of National Revenue (Mr. Cullen) and make sure that the ruling will be included in the legislation so that the writers in the publications industry may know exactly where they are when they negotiate for magazine articles.

I guess that in times of excitement like this you tend to revert to your previous vocation, and I flip back very easily to the days I was teaching writing and I imagine in my mind's eye hundreds of writers across Canada waiting to know what kind of climate they are entering. It was Aristotle who said a good writer keeps his audience in mind; he always has his audience in mind when he writes. The dilemma which faces the writer in Canada today is: what audience? I think it is an established fact that *Reader's Digest* and *Time* have created the largest circulation in Canada, and though some government members would like to have us believe that it is because of the support given by the parent organization in the United States, nothing could be further from the truth.

Mr. Speaker, you can have all the support you like from parent organizations, but if these periodicals were not publishing the kind of material Canadians want to read, there is no kind of support from parent companies which could make them popular magazines. *Reader's Digest* and *Time* have been very careful to publish those kinds of articles, that kind of material Canadians want to read, and that is why they have the largest circulation in Canada. It is a tragedy that the one publication in Canada we can leave lying anywhere without having to be afraid of our children reading it is the publication which is under attack. That is the one the Secretary of State wants to make difficult to operate in Canada.

If the Secretary of State really wanted to help writers he would be more disposed to tear down walls than to create them. I have already suggested that the Secretary of State wants to help writers. He said, however, in a statement to his caucus:

> Even if *Sélections* were no longer published in Canada, no doubt the French edition presently printed and available in Europe would be available for distribution to Canadian readers.

What kind of a contradiction is that between the public and the private statements of the minister? On one hand he says he wants to help writers and provide a medium in which they can operate in Canada so that they can publish their articles and become known, and on the other he says that if the French edition of *Reader's Digest* does go out of existence, the French edition can still be sent over to Canada. Is he sucking, or blowing? Is he tickling, or scratching? Does he want to shut down a magazine, or encourage it? He went on to say:

> The uncertain short-term consequences of eliminating the tax exemption for advertisers using *Reader's Digest* must be weighed against the long-term effects for the Canadian periodical industry of eliminating lumpiness in competition and the removal of a major inconsistency in the government's cultural policy.

That makes my hair stand on end. What is the government's cultural policy for us? Is the beginning of its design first to make sure that a few publications can no longer operate successfully in Canada? Does he wish to eliminate that kind of competition and then move on to other areas? The Secretary of State told us in committee that he does have a cultural design for Canada, and he suggested at that time he would make that design available to members of the committee. We have not received it yet, even though it is two months later. Is that his cultural policy for Canada? Frightening! Then he went on to say:

> Of all the major consumer magazines in Canada, *Reader's Digest* is the most cost-effective magazine advertising medium as the table derived from the Canadian Advertising Rates directory of December, 1974, indicates.

I underline the words "the most cost-effective advertising medium". Do you suppose it has been the most cost-effective advertising medium because advertisers just love *Reader's Digest* and *Time*? No. It is because they know that those two periodicals are the two which Canadians most want to buy and read, and they know that in this way their products will get the greatest amount of exposure before the Canadian public.

● (1610)

On the other side of the ledger, we must ask ourselves this question: If *Time* and *Reader's Digest* have been so successful, why have other publications not been equally successful? Immediately you cannot help thinking of the dominant periodical in Canada, namely, *Maclean's* magazine. I would simply suggest that if a publishing company decides to cater to a very urbanite group, in the style that caters to that small select group of urbanite society, especially Toronto urbanites, it must take the consequences of that publication's decision and suffer a small circulation. Apparently *Maclean's* is not willing to do this.

I suggested in the committee some time ago that the problem in Canada is not a shortage of good writers, and certainly not a shortage of periodicals but, rather, it is the inhibitions which these writers and periodicals face when it comes to circulation. It so happens that Maclean-Hunter denied this vehemently. Of course, they said it was not a circulation problem but rather, other problems including the competition they face. Just by coincidence, next to *Time* and *Reader's Digest*, Maclean-Hunter has the largest distributing facility in all of Canada. That is strange.

I suggested in the committee that if Maclean-Hunter is really interested in helping the publication industry in Canada, what it could do is carry piggyback some of the small publications which are finding it hard to get exposure before the Canadian people. I suggested that maybe what they should do if they want to help these publications is carry them along in the distribution of their own magazine. This would give phenomenal coverage to the small publications. But they said that was not the solution.

On January 7, a month after the committee had met, there appeared in one of the Toronto newspapers an article regarding the magazine distribution industry. It suggested this was virtually a closed shop. We find in this article a statement like this:

> A Maclean-Hunter national magazine distributor said he will not provide magazines to a wholesaler operating in the territory staked out by the Maclean-Hunter regional wholesaling subsidiary, Metro News.

Metro News does have a corner on the market. The article continues:

> Many have quit dealing with Metro because of dissatisfaction with accounting systems and service. A normal turnover, Metro counters.
>
> Another Maclean-Hunter operation, Maclean-Hunter Distributing, one of the few national magazine and paperback distributing companies not foreign controlled, refuses to provide even Maclean-Hunter's own circulation-hungry magazines to wholesalers trying to crack Metro News' large territory.

There you have an industry that wants a closed shop and a corner on the market, without competition. That is the background to the kind of legislation that we are faced

with today. The Secretary of State just last week published a letter, I suppose you could call it but it is more like an article, in the Vancouver *Sun* in response to a letter written previously by another gentleman. In that article he stated:

I think the point to keep in mind, however, is that a Canadian writer's chances of success in a foreign market are enhanced if first he or she has managed to get established at home and to develop a solid readership in his own market. It is with that objective in view that government support of writers and publishers is being provided.

I would like to ask the Secretary of State how he can prepare that kind of statement when indigenous writers are complaining all the time about competition from American publishers in Canada without the benefit of relief? The minister has not seen fit to look after that dilemma. There are gaps like this in every aspect of the legislation before us. I could go on, but suffice it to say simply that the amendment before us has a lot of wisdom, especially in light of the statement *Reader's Digest* has issued today, as well as the statement of the Minister of National Revenue. That statement has muddied the waters more than cleared them and we need time to look at the legislation as well as the ruling.

As the hon. member for Edmonton-Strathcona (Mr. Roche) has already suggested, the bill ought to be sent back to the committee to be re-examined and to find ways to include the ruling, if there is to be a ruling, in the legislation so that the writer in Canada can move out of this world of insecurity to a place where he knows where he is at and does not have to worry about these rulings of the Minister of National Revenue. I distinctly remember members of the committee asking some very specific questions of officials of the Department of National Revenue, who on the spur of the moment made some judgments as to how the ruling would operate in this case. As they gave their answers, the Secretary of State sat there shaking his head, saying "No, no; that is not it". He then proceeded to reinterpret what that ruling would imply for that particular situation.

We go back to the statement that the writer must always have his audience in mind. I would ask, again, what audience is this? Is it the audience that the writer wants to reach in terms of a reading audience? If that is the case, then he is going to enjoy the freedom of expression that all writers in Canada must have if they are to write creatively and artistically and if they are going to write in a way that Canadian people will want to read. If in the meantime, however, they have to interject before their reading public three other voices of the reading audience for which they must account, namely, the Secretary of State's Department, the Department of Justice, and the Department of National Revenue, then I would ask very carefully again, which audience is it for which the writer must account?

The Secretary of State and the Minister of National Revenue can state as often as they want that this is not curtailing writing and that this is not censorhip. Perhaps in a legal sense it may not be, but in a psychological sense regarding the work that goes into the writing and preparing of a manuscript, this is censorship of the most subtle nature. No writer of any artistic or intellectual integrity, or with a creative desire, will want to submit a writing to any publication if first of all in his mind's eye he has to picture before him the scrutiny of a dollar-oriented Treasury Department official or a legally-oriented Justice Department official. That is no way to stimulate the writing profession in Canada and it is no way to stimulate the publishing industry in Canada.

What we need in this country is freedom of expression without bounds and without the deterrent effect of these various levels of government interfering with our writers. I return to the injunction that this piece of legislation must be sent back to the committee where it can undergo that kind of scrutiny it deserves, or that kind of scrutiny the Minister of National Revenue has given us reason to believe it deserves as the result of his change in ruling today.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, the Minister of National Revenue (Mr. Cullen) in his intervention this afternoon raised some very interesting points which I think have some important implications for this legislation. While addressing myself to motion No. 1, which would delay the implementation of this bill for another year, I should like to put on record some of my concerns about the statement of the Minister of National Revenue, to which perhaps he will reply when we come to motion No. 2.

● (1620)

I think all members of this House and the people of Canada must realize and keep firmly in mind that Bill C-58 is a piece of legislation, not to decide who will be allowed to publish in Canada but, rather, who will be assisted to publish. An anomaly in our income tax regulations that has existed since 1965 allowed two major publications, *Time* and *Reader's Digest*, to qualify for income tax purposes as Canadian magazines when in fact they were not. The legislation seeks to rectify that anomaly.

The purpose and the hope of the legislation is that the advertising revenue that had in the past gone to these two foreign periodicals, or some of that advertising revenue, will be redirected back to Canadian periodicals unless *Time* and *Reader's Digest* conform to the principles of what it is to be, a Canadian periodical. When the minister was before the committee he outlined four criteria for qualifying as a Canadian periodical. They were: place of production, ownership, licensing, and similarity to a foreign publication.

To this date neither *Time* nor *Reader's Digest* qualify in those terms as being Canadian, although we learned this afternoon just as the debate began that the Minister of National Revenue had worked out a deal with *Reader's Digest* concerning the fourth criteria, similarity to a foreign publication. As I understood the minister, he said an understanding had been reached by his department and *Reader's Digest* that if *Reader's Digest* bought an article from an American or any foreign magazine and did the editing or did the digesting of that article here in Canada, and at the same time if the parent magazine, *Reader's Digest* U.S., bought an article from the same source and did the editing and digesting in the United States, then the Canadian article would not be subject to the provision regarding similarity to a foreign publication. Although the two magazines may be using and publishing the same article in their magazines, because the editorializing and

the actual digesting was done by *Reader's Digest* Canada, it then would come under the 80 per cent rule.

If that is so, then it raises another very important question which I should like the minister to clarify. If they worked out that kind of deal with National Revenue, they must at the same time have worked out a revision of the third criteria the minister mentioned to the committee, which is licensing, because under the existing situation with *Reader's Digest* Canada and *Reader's Digest* U.S., its parent, the licensing agreement works as follows: *Reader's Digest* U.S., the parent, has a pool of articles that it digests, and *Reader's Digest* Canada can draw on that pool of articles.

As part of the licensing agreement between *Reader's Digest* Canada and the United States, the following provisions must be met: *Reader's Digest* Canada must first promise to make no changes to editorial material obtained from the U.S. parent company without written consent. Second, the Canadian subsidiary must not distribute material which the parent disapproves of, or use material from any source other than those sources approved by the U.S. parent company.

Third, it must encourage Canadian writers to contribute material which would be of significant interest to international audiences, and submit any such material to the U.S. parent company for publishing consideration. Unless that licensing arrangement has been changed, in no way, even if they make the arrangement now with the 80 per cent "substantially the same" provision, by any stretch of the imagination can we consider *Reader's Digest* Canada an independent Canadian periodical if it is subject to the three licensing conditions I have just outlined. So I believe it is important that the minister make a statement to this House concerning what changes his department has agreed to with *Reader's Digest* Canada, not just on the point of similarity to a foreign publication but on licensing, ownership and place of production.

If this deal has been worked out and there have been some changes in the licensing arrangement, and *Reader's Digest* qualifies under all the other provisions, then we may accept that it is truly by definition a Canadian magazine and that advertisers in *Reader's Digest*, Canadian edition, will have the tax deduction benefits. However, I think this is still a blow, in one sense, to the Canadian periodical industry because, as was pointed out effectively in testimony before the committee, *Reader's Digest* and *Time* magazine for ten years were allowed to have the benefits through the tax system in respect of advertising revenue, and therefore have been able to capture about 50 per cent of the advertising revenue in this country.

We cannot quarrel with this if they comply with the four criteria, but this certainly does not do anything about redirecting some of that huge amount of advertising revenue back to the Canadian magazines which have been struggling for so long against these huge odds and advantages *Reader's Digest* and *Time* magazine were able to enjoy over a ten-year period. The point should be raised that what made *Time* and *Reader's Digest* so successful, and what gave them such an unfair competitive advantage, was that they were able to get much of their content at reduced rates from their parent company—at a fraction of the cost any Canadian magazine would have to pay if it tried to acquire the same material.

While these two magazines, *Time* and *Reader's Digest*, were able to get that kind of advantage of a cut-rate cost for the material, they also had the advantage, as foreign magazines, of being able to qualify under the provisions of the Income Tax Act for deductibility of advertising expenses. This attracted many advertisers to advertise in *Time* and *Reader's Digest*, which would not have been the case had these magazines been classified as foreign, because they would not have had that income tax deductibility benefit. So it seems to me that the Minister of National Revenue has much explaining to do about the kind of deal worked out with *Reader's Digest* as it relates to the four criteria for a magazine qualified as a Canadian edition.

I cannot support motion No. 1, in the name of the hon. member for Fundy-Royal (Mr. Fairweather), to delay this bill for one year. As was pointed out in committee and on second reading, we have allowed this anomaly in our definition of a Canadian periodical to go on for far too long, so that *Time* and *Reader's Digest* have been able to capture most of the advertising revenue of magazines in this country and Canadian magazines are really at the breaking point. They need to attract more revenue, and unless we move to implement Bill C-58 this will not take place. It can only mean the continuing backsliding of the Canadian periodical industry as it hopes to improve and compete with these two giants.

● (1630)

We need a healthy Canadian periodical industry. From the testimony we have heard, if even a fraction of the advertising revenue which now goes to *Time* and *Reader's Digest* were diverted by the passage of this bill to the Canadian periodical industry, it could mean the difference between the collapse or the survival of a number of magazines. This is something to be borne in mind. For a country to have a sense of identity and to be able to speak to people both on the west and on the east coast, we need a healthy magazine industry which can interpret Canada to Canadians, not through the eyes of subsidiaries of some foreign magazines.

So I say that there is no time for delay. This issue has been before the House previously. We have had a royal commission studying it and a special Senate committee studying it. Their recommendations were that we move in the direction in which Bill C-58 is moving and that the longer we delay, the worse the situation will become for Canadian periodicals. I think it is important that we pass this legislation. If *Reader's Digest* and *Time* want to conform to the legislation and become Canadian magazines, then that is fine; they will be on the same footing as our industry in Canada. But I cannot see the logic of perpetuating an anomaly that allows these two magazines, of all foreign magazines in Canada, to receive benefits under the Income Tax Act which allows their advertisers to receive these benefits while the same benefits are not given to other foreign publications.

We seem to have a lot of concern for these two magazines at this stage. I find it surprising that the same concern and logic was not voiced for other foreign publica-

tions back in 1965 when they fell under the provisions of the Income Tax Act which classified them as foreign magazines, but *Time* and *Reader's Digest* did not. It seems important that we move to the speedy passage of this bill. As I said earlier, I certainly want to hear clarification from the Minister of National Revenue as to the deal that has been worked out with *Reader's Digest* and what has happened not only to the "substantially different" clause but to the licensing provisions which the minister outlined when he was before the committee. I hope that we can dispose of motion No. 1 soon, and that we can have an answer from the minister on those important questions.

Mr. Jake Epp (Provencher): Mr. Speaker, in rising on motion No. 1, asking that the bill be delayed for one year, or until December 31, 1976, I would like to make a few comments regarding the intervention of the Secretary of State (Mr. Faulkner). It was a typical performance by a minister who is again in trouble. He has staggered from crisis to crisis on Bill C-58. He has been trying to ram something through the House for which he has not had the support of his cabinet, his caucus, or his voters, and now he is trying to weasel once again. Then he gets up with a sanctimonious type of approach and goes after the Leader of the Opposition (Mr. Stanfield), suggesting that by asking simple questions the Leader of the Opposition is trying to delay the bill. I really question whether the minister has any right to consider anyone else to be less pure than he thinks he is on this issue.

Before we even started in the committee we were told that closure would be in effect. They did not exactly use closure, but they told us that the bill would have to be out of the committee by Friday. They said that was it; that was all the time we would have. They said, "We will have the bill back in the House prior to Christmas, and it will be rammed through the House because it is to become effective on January 1, 1976." Now we have a retroactive bill on our hands. I say to you very bluntly, Mr. Speaker, that that minister does not have the support of the House. I suggest that if he checked with members of his caucus he would find that he does not have the support of many of them, either. All that happened today clouded the issue further. Whenever we asked questions of the minister in the committee, he became defensive and said that we had to get this bill through the House because the effective date was January 1, 1976.

The hon. member for Sault Ste. Marie (Mr. Symes) also supported this bill in committee. I imagine he thought it was the greatest thing since rye bread, and he thought it would be great for the periodical association. Today he asked the Minister of National Revenue for clarification and said that he does not really know what we are debating. Then he turned around and said that his party is in favour of the bill. How does he know what he is in favour of? Throughout our debate on Bill C-58, the argument has been that if the large amount of advertising revenue which *Reader's Digest* and *Time* get were given to Canadian periodicals, it would help the Canadian Periodical Association and Canadian writers. That has been one of the basic arguments of the proponents of this bill. Yet if Reader's Digest can continue to advertise and to exist, where does that argument go?

An hon. Member: It is out the window.

Mr. Epp: Right, it goes out the window. So really what are we debating at this point? We really do not know. What bothers me more than anything else about the stonewalling and the closure that has been used on Bill C-58 is the arbitrary manner in which this legislation was introduced and is now before the House. Throughout this debate we have been wrestling and shadow-boxing with the so called Cullen rule which was not part of Bill C-58. When we had officials from the Department of National Revenue before the committee, we kept asking them how they would interpret the phrase "not substantially the same". I could just see these dear souls, these gentlemen, running out whenever the issue of *Time* or *Reader's Digest* came around. They were somewhat like a chain gang, these people who are supposed to measure how much work was done this week and how much will have to be done next week. I can see the officials of the department bringing out their tape measures to decide whether it is 79 per cent, 80 per cent Canadian content, or whatever. Surely that is not the way to go about passing legislation. Let the minister say what we are debating. Let him tell us what the conditions and the criteria are and how they are to be interpreted. We have been through second reading and committee stage of the bill, but actually we know less today, after the intervention of the Minister of National Revenue, than we knew when the committee returned the bill back to the House. There is less clarity.

● (1640)

This is the arbitrary manner with which Bill C-58 is being dealt. While on one hand the bill is quite clear, the operative or the administrative part which National Revenue would play is not clear. I ask the minister, again, whether our interpretation of the deal he apparently has worked out with *Reader's Digest* is correct. Our interpretation is that if *Reader's Digest* international commissions an article, that article appears in any *Reader's Digest* magazine other than the Canadian one and then it subsequently appears in the Canadian edition, it falls under the 80 per cent rule but if, on the other hand, an article appears, for example, in *Redbook*, is edited and appears in the U.S. edition of *Reader's Digest* and then subsequently appears in the Canadian edition, is that acceptable?

An hon. Member: No, it is the other way round.

Mr. Epp: The minister shakes his head. Obviously my interpretation of his arbitrary rule is wrong. I think it is important that the minister again rise in his place and not only refer to the interpretation but put it into the statute. It is important that this be in the legislation so that we can take a position on it and pass the legislation. With regard to this arbitrariness, what happens when we have a new minister? Will an order in council change it again? Can it be thrown out? I imagine it can be. Any subsequent minister can come along and say that the content rule will not apply at all in order for a magazine to qualify as a Canadian magazine. I submit that that is not the way to go forward with this kind of legislation.

A number of us received by hand—I received mine at 1.50 this afternoon—a press release from *Reader's Digest* Canada which indicates that a backroom deal has been made which will allow *Reader's Digest* to continue more or less in the manner it has up to the present time. I quote

from that press release, or that official communique, as follows:

It was announced by *Reader's Digest* today that, after an examination in depth of the interpretation and application of section 19 of the Income Tax Act as it will apply if and when Bill C-58 is adopted, and, after discussions with officials of the federal government, it has come to the conclusion that the steps already taken or under way to conform to the amended statute, will permit it to continue to publish its French and English editions in Canada in such a way as to have them classified as Canadian issues of Canadian periodicals for income tax purposes.

The result will be, it stated, that advertisers in its periodicals will continue to have the right to deduct their expenses for advertising space for income tax purposes.

There are a number of questions which arise from that statement. What were the discussions with the officials of the Department of National Revenue? What steps were taken other than those *Reader's Digest* told the members of the committee about—for example, 30 per cent plus now having Canadian ownership? What other steps has *Reader's Digest* committed itself to, with the minister and officials of his department, in order that it will conform to the regulations which will classify it as a Canadian edition? Also, I believe the minister should state very clearly what long-term agreement, written or otherwise, *Reader's Digest* has made with National Revenue officials regarding its Canadianization. Is it a ten-year deal, is it in perpetuity, or what?

We should also have a commitment from the minister as to whether the so-called regulations will be put into the statute. We have many questions at the present time, but the major argument, obviously, must be with regard to the arbitrary approach being used. The Secretary of State and the minister are telling us to leave this matter in their hands, to let them make the rules, to let them make the backroom deals, and that we as members of the opposition, and the Canadian people in general, should be satisfied because those two ministers will make the best deal possible. That is what they are saying, and that is not good enough. The matter of the arbitrary manner in which this rule will be interpreted must be discussed and the minister must stand in his place and clearly explain that situation.

For example, when *Time* was before the committee, it indicated to us very clearly that it had submitted to National Revenue a so-called 50 per cent Canadian and 50 per cent other than Canadian mock-up for adjudication by officials of the department. During the course of the debate on this bill, *Time* had been under the impression that a 50 per cent content rule, if it could abide by it, would qualify it as a Canadian magazine if the other matters were adherred to. Obviously, the question for the minister is this: Is a backroom deal also being worked out with *Time* Canada, and in the not too distant future will we have a press release from them indicating that they, also, have been able to flex their muscles and move the minister to get a deal which will also classify them as Canadian? If that is the case, what has been the point of this whole exercise which is taking the time of the House?

Further, what about the licensing arrangement? Has a change been made in the so-called deal for *Reader's Digest* and *Time* with regard to licensing? The hon. member for Sault Ste. Marie also mentioned licensing. With all this in mind, and considering the long discussions which have taken place, the bill should be referred back to committee for full disclosure and discussion, without the time restrictions which were placed upon the committee and without the restrictions which were also placed on government members who wanted to sit on that committee and who were in opposition to the bill.

We saw a charade in committee, the like of which I have not seen in my time here. Long-standing, full-time members of the committee were suddenly bumped because they were going to ask embarrassing questions of the minister and his officials and because they were not in favour of this bill. It is incumbent upon us to lift this bill for one year so that during that period of time full disclosure can be made and the Minister of National Revenue can give us a commitment that the administrative regulations will be incorporated in proposed legislation which can be debated in this House.

I should like to serve notice that I will move that the bill be referred back to committee once we get to third reading stage.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Edmonton-Strathcona (Mr. Roche)—External Affairs—Paris economic conference—Possibility of Canada being co-chairman—Canadian position at conference; the hon. member for Winnipeg South Centre (Mr. McKenzie)—The Canadian Economy—Allegedly conflicting views of ministers on economic policy—Request for clarification; the hon. member for Nickel Belt (Mr. Rodriguez)—Consumer Affairs—Transfer of food stocks from Loblaws to Ziggy's—Suggested investigation of justification for price increase.

● (1650)

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

REPORT OF ELECTORAL BOUNDARIES COMMISSION FOR MANITOBA

The Acting Speaker (Mr. Turner (London East)): It is my duty, pursuant to section 19 of the Electoral Boundaries Readjustment Act, chapter E-2, Revised Statutes of Canada, 1970, to lay upon the table of the House a certified copy of the report of the Electoral Boundaries Commission for the province of Manitoba, 1976.

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of the motion of Mr. Sharp (on behalf of the Minister of Finance): That Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts, be concurred in.

Mr. Armand Caouette (Villeneuve): Mr. Speaker, if I have not yet taken part in the debate on Bill C-58 it is not because I believe that this legislation is not important; on the contrary this issue is, in my opinion, most important. However I wanted to listen to what my colleagues had to say about this legislation which directly concerns two magazines now published in Canada, namely *Time* and *Reader's Digest*. After listening to the interventions for and against this legislation, I can only urge that consideration of the bill be postponed, according to the amendment.

I hope that government members will pay attention to the arguments that were or will be put forward by the members of the opposition for I sincerely believe that no member should support such a legislation which will destroy the freedom of the press in Canada. This bill was introduced by the Secretary of State (Mr. Faulkner) with the view of putting those two magazines on the same footing as other Canadian publications.

Since the publication of the Davey report on mass media, I believe everybody agreed that only truly Canadian publications should be granted tax deduction for advertisements appearing in their columns. So far, Mr. Speaker, I think everyone agrees, and even *Time* magazine has clearly indicated its intention of being bought off by Canadian interests so as to comply with the requirements of the bill. *Selection* may have done the same thing, namely become a genuinely Canadian magazine, in spite of its initial lack of enthusiasm for this prospect.

Unfortunately the government allowed itsef to be carried away by nationalist feelings. Not content with trying to make Canadian publications out of *Time* and *Selection* by encouraging Canadian interests to purchase them, the government decided to go further and to interfere with the content and the nature of the articles published in those magazines. This in my view, Mr. Speaker, is a gross and unforgivable abuse of power.

We are not in Germany under Hitler's domination nor are we is the USSR under Stalin's, we are still living in Canada, a country where democracy and the freedom of the press should always be very well protected.

Does the present government wish to be remembered as the government that restrained and destroyed the freedom of the press in Canada? It is remembered as a government that has told the newspapers: "Publish 80 per cent of this and 20 per cent of that, but publish this article and not that one because it is not Canadian". And yet that is more or less what is advocated under the stupid Cullen rule which requires that the content of a magazine be 80 per cent Canadian in order that those who advertise in it may obtain income tax deductions. I just cannot find words to say how shocked I am by this unjustifiable intervention of the government in this field where freedom is sacred.

Today, the government requests us to let it control the percentage of Canadian articles in magazines; so what will prevent it from coming back soon and ask us to let it control the ideas expressed in those magazines under the pretext that they are not as consistent as they should be with Canadian ideas?

The step that the government wants to take today with the adoption of Bill C-58 is extremely dangerous. It is a step towards dictatorship. The government should be aware of the dangers that Bill C-58 will create for the future of the freedom of the press and the freedom of speech.

That is why, Mr. Speaker, the government should differ passage of Bill C-58 for a year, as requested in the amendment under consideration today, or the bill should be replaced by some provisions granting tax deductions for advertising space in Canadian-owned publications only. Such a measure would help to reassure all Canadians who rightly wish to see Canadian publications become more prosperous and better able to meet fair competition from foreign publications.

It is very hard for Canadians to understand this government's attitude when it comes to protecting Canadian interests against our powerful southern neighbours. Indeed, the government has no qualms, as far as publications are concerned, in using brutal force to the extent of endangering freedom of the press, while, in other fields where Canadian interests are strongly threatened, it does not even lift a finger.

For example, it is well known that Canadian car rental companies are now facing unfair competition from giant American companies. The Canadian government, far from helping them in that connection, leane them to struggle without any assistance against the giant financial interests of American companies.

The Canadian government is not consistent with itself, not does it appear logical to Canadians. On the one hand, under the pretext of promoting Canadian publications, it puts the blame on the freedom of the press and, on the other hand, it allows Canadian car rental companies to be crushed by American companies. How can we have confidence in the good will of such a government? Further, the minister in charge of the Secretary of State does not deserve any congratulations for the manner in which he has piloted this bill. He repeatedly said in this House in May last that the exact meaning of the words "which is not substantially of the same kind" would be known in advance by the magazines involved. We now know that it was only very late in October—hardly two months before the date it came into force—that the Minister of Revenue made known his interpretation. We also know that, because of the effects, this interpretation—which calls for a Canadian content of 80 per cent—is the most explosive and the most dangerous legislative proposal of all measures now under consideration in this House. Had the Secretary of State (Mr. Faulkner) proceeded with a minimum of competence, he would have taken the trouble to consult the Minister of National Revenue (Mr. Cullen)

before presenting his bill. His clumsiness and negligence in this affair are inexcusable. All Canadians know he was talking through his hat last May when he said that the Department of National Revenue was ready to produce its interpretation. And today, Mr. Speaker, all Canadians know that the former Minister of National Revenue was talking about a 50 per cent Canadian content before the present minister introduced the 80 per cent rule. I therefore cannot accept the attitude of the minister responsible for this bill and his performance will no doubt be cited as an example when it comes to showing how to present a bill.

The Secretary of State has been stubborn in his incompetence, and has persisted in the repeated mistakes he has made during the discussion of this bill. I understand the irrritation of the directors of *Time* and *Reader's Digest*, when they said:

In the face of uncertainty, we may have to close down . . .

—even if today the minister tells us that the publication of the same magazines may go on under some arrangements with the government, but they said they were ready to close down not because they do not want to comply with the law but because they were able to determine with a reasonable minimum of certainty what this bill says.

I would like to come back to the question of the dangers this bill will represent for the future of the freedom of the press in Canada, because this consideration is the most important of all. It is necessary, Mr. Speaker, to insist on the fact that all newspapers in the country are unanimous in condemning firmly the measure put forward by the Government.

La Presse of Montreal says without hesitation: "The measure is "a masterpiece of stupidity". "The Toronto *Globe and Mail* writes: "A foolish and dangerous censorship". The *Edmonton Journal* headlines: "An unjustified measure in a free society". And I could quote hundreds of articles and thousands of statements which agree that Bill C-58 is a menace to the freedom of the press and the freedom of speech in Canada.

Mr. Speaker, the minister proved himself to be very determined in insisting that his bill be passed, despite the lifting of shields by all who believe in the freedom of the press. Determination is often a quality. But, in this instance, Mr. Speaker, I doubt that it is. It reveals a tragic lack of common sense and realism.

Mr. Speaker, let us reflect for a few moments on the consequences of Bill C-58 if it is applied in its present form. Contents should be 80 per cent Canadian. Let us suppose that in the course of a week, five events occur, namely, war breaks out in the Middle East, Brezhnev resigns or is replaced, a flying saucer really lands in Japan, the Queen of England resigns, and the Prime Minister of Canada decides to build himself an even larger pool. As no Canadian publication can afford to send journalists everywhere throughout the world, and bearing in mind the fact that our newpapers and magazines must respect the 80 per cent Canadian content rule, we stand a chance of getting a paper or magazine 80 per cent of which would be devoted to the Prime Minister's new pool, the four other events being relegated to the last pages.

Mr. Speaker, one sees immediately that the 80 per cent content rule threatens the Canadian people, primarily with not being properly informed of international events. Who, Mr. Speaker, would ever want that kind of situation? Yet, that will be the result of Bill C-58 if it is applied strictly.

It is as easy to imagine a crowd of officials with a lot of rules trying to read the articles to ascertain that 80 per cent of the pages are filled with Canadian texts. It is really a nightmare, Mr. Speaker. Adoption of this legislation must be delayed or the bill withdrawn by the government. If the government and the Secretary of State persist in their attitudes, I hope there will be enough members in this House to delay the adoption of this bill, which is ridiculous and dangerous.

As a conclusion, Mr. Speaker, I urge the minister responsible to think it over. Is he prepared to leave his name tied to a piece of legislation which directly undermines the freedom of the press and of speech in Canada? Does he want our country to recall him as the man who struck the first blow against the liberties which we hold as heritage since the existence of Canada? If he wants us to remember him by a saying that he was able to preserve those liberties, he must withdraw this bill or delay its adoption as required in the amendment.

● (1700)

[*English*]

Mr. Gordon Towers (Red Deer): Mr. Speaker, I welcome this opportunity to express my sentiments on this bill, but suggest that our being forced to participate in this debate, and the government's procedure in bringing this bill forward now, shows that the government is in a shambles. With your indulgence, may I read to the House the exchange which took place yesterday evening as recorded on page 10561 of *Hansard*. The hon. member for Peace River (Mr. Baldwin) rose on a point of order and asked if we were to continue debating Bill C-68 today. *Hansard* records the following exchange after the hon. member spoke:

MR. KNOWLES (WINNIPEG NORTH CENTRE): We were told otherwise.

MR. BLAIS: Mr. Speaker, it is my information that tomorrow we are to continue with Bill C-68.

MR. KNOWLES (WINNIPEG NORTH CENTRE): Mr. Speaker, I rise on a point of order. This afternoon at three o'clock the government House leader said definitely that we would not go on with Bill C-68 tomorrow but consider either Bill C-58 or Bill C-81, or he would see the Prime Minister (Mr. Trudeau).

MR. BLAIS: Mr. Speaker, further to the point of order, my information is that we are to deal with Bill C-68 tomorrow.

MR. KNOWLES (WINNIPEG NORTH CENTRE): You can't trust those Liberals.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Towers: Considering the sorts of remarks the hon. member for Winnipeg North Centre (Mr. Knowles) has made, I am really surprised to note that the hon. member for Sault Ste. Marie (Mr. Symes) supports the government on this particular bill.

Mr. Beatty: You can't trust those socialists, either.

Mr. Towers: I think the assessment of the hon. member for Winnipeg North Centre was correct, and the hon. member for Sault Ste. Marie would be well advised to reconsider his position and support the amendment before the House.

Mr. MacFarlane: Mr. Speaker, I rise on a point of order. I hope the hon. member will indicate that the remark he read, attributed to the House leader of the NDP, was made in levity and not in seriousness. I hope he is not suggesting anything else.

Mr. Knowles (Winnipeg North Centre): Shall I rise on another point of order?

Mr. Towers: Mr. Speaker, I am sure hon. members opposite do not realize the difficulties they are apt to encounter from trying to proceed with this legislation at this point in time. There is no reason for this House to be asked to deal with legislation of this kind, especially in view of the information that came to the attention of members of parliament this afternoon as a result of the circular all members received from *Reader's Digest*. What is to happen to other publications? Other magazines and periodicals will be affected by this legislation. What will happen to *TV Guide*, to our medical journals and other journals which the Canadian people like to read? You know, I always like to have a new coat before I throw my old one away. I suggest that the House would be well advised to delay this legislation for 12 months, which is what the amendment suggests, and reconsider the entire gamut of the matter.

I have had great respect for the Minister of National Revenue (Mr. Cullen) and hope what I have to say will not force him to stay out of the House for too long. His statement regarding the 80 per cent content, 80 per cent the same as, or the 80 per cent difference rule—whichever way you want to interpret it—was most unfortunate and dangerous. I don't care what the minister says and I care less for the government. I say emphatically that the minute any government begins to decide what the Canadian people shall read, it becomes very, very dangerous. I am surprised that the hon. member for Sault Ste. Marie goes along with the government in this regard. You do not build up the weak by tearing down the strong. It seems to me that there are other ways to help Canadian periodicals develop, other ways to help them become strong.

I am happy to see the Postmaster General (Mr. Mackasey) in the House. I am sure he knows that increased postage costs have created financial difficulties for many periodicals. The magazine *Country Guide* is not nearly as large a publication as it once was, mainly because of the cost of postage. I suggest we can support Canadian periodicals in many ways. Why are we not looking at those ways and means of supporting the industry within Canada? I am sure we in the opposition are just as great Canadian supporters as anyone else in Canada. Nevertheless, why do we have to try to tear down the strong in order to build up the weak?

● (1710)

In committee I took issue with a promoter of *Maclean's* magazine because there was such a large amount of advertising in that periodical. At one point it was 60 per cent, which means 60 pages out of 100. Unfortunately, many of those 60 pages were advertising American liquor. Is the Secretary of State (Mr. Faulkner) saying that it is all right for Canadian magazines to advertise American liquor rather than publicize commentaries that are acceptable, required and in some cases almost necessary because Canadians like them? Many Canadians like to peruse these magazines.

This government would be well advised to really consider this amendment. The bill should be taken out of the House for 12 months and sent back to committee. The minister shakes his head. It is unfortunate that he has become dogmatic and is going to force this issue even though there have been so many inconsistencies. Since the presentation of this bill, changes have been made. We had 50 per cent, 60 per cent, 70 per cent and 80 per cent. This is frustrating for everyone. Why should we have had to wait 12 months on this legislation and then, at the very last moment, a statement has been made? We have no guarantee that the statement will be correct that there is provision for *Reader's Digest* to survive.

We then came to the point where there is a real problem. Who is to decide that it will be 80 per cent different? I cannot accept this. I believe it is a right of the Canadian people to decide for themselves what they want to read and when they want to read it. If we are going to continue entering into state control in all facets of our way of living, I suppose we are going to have to accept it. However, just because we are entering into a program of economic control that is to last for three years, we should not have to accept a publishing control that may be for all time.

It is most unfortunate that any minister, not necessarily this Minister of National Revenue, or any government by any whim of fancy can change the whole aspect of this. This is a very dangerous precedent that we are setting here today. I hope the minister and the government will reconsider and accept this amendment. They should take the legislation back to committee where it can be reconsidered once again and adequately amended. This is an unprecedented move. It is beneath the dignity of this House of Commons. I hope the minister will give it further consideration.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, like many of my colleagues, I appreciate the opportuniy of speaking to and supporting this amendment. I spoke at some length when the bill originally came into the House. I pointed out then that I felt the great majority of Canadians thought the bill was very unfair. I agree with the Leader of the Opposition (Mr. Stanfield) who stated that we all agree that Canadian magazines and Canadian writers must—be helped. However, this should not be done at the expense of doing away with *Time* and *Reader's Digest*. That is the view of a great many people of Canada, especially the older families.

The Secretary of State (Mr. Faulkner) mentioned that this bill has generated a lot of mail pro and con. I agree with him to some extent. However, the great majority of mail that came into my office was in favour of continuing *Reader's Digest*. I would say it was about 25 to 1. I know that at one time I had received about 250 letters. I would point out to the Secretary of State, who is standing in the confessional at the back, that the letters are again starting to come in. Therefore, people must be concerned about this matter.

Many people have questioned the 80 per cent that was set by the government or the Minister of National Revenue (Mr. Cullen). They feel that *Reader's Digest* will not be as

good a magazine. Many people stated in their letters that of all the magazines that came into their houses, *Reader's Digest* was the only one they really liked and respected. They do not want anything done to change that. I hope the minister gives that matter serious consideration. The directive that was issued today by the *Reader's Digest* officials came as a shock and a surprise to many members including, I am sure, some on the government side.

Our spokesman for this particular bill, the hon. member for Fundy-Royal (Mr. Fairweather) had to leave early in order to visit the constituency of the Secretary of State. I hope he will put the situation to them plainly. The *Reader's Digest* press release came as a great surprise to many of us. As the House leader of the NDP said, Bill C-58 is thrown in here again. The government does not know from one day to the next what bill it will bring into the House. A great many of us would have been interested in more clarification from *Reader's Digest* and the Minister of National Revenue on this press release. It might have had some bearing on this debate and might possibly have shortened it.

Many of us are skeptical and worried. As was pointed out by previous speakers, the Minister of National Revenue may interpret the bill one way, but his successors, after reading an article which may be critical of their department of the government, could have another interpretation. In that event, the headsman's axe or the witch hunt would start again.

In today's mail I received a clipping from someone in Regina. I do not know why it was sent to me, when we have so many western members. It came from Grace Stewart, of Regina, who wrote:

● (1720)

Can you possibly help do something about this and help prevent the government pursuing its present collision course with *Reader's Digest*?

Application of Bill C-58 to *Reader's Digest* and *Time* magazine, to deprive the publications of Canadian status, sets a precedent that is frightening.

The legislation to amend section 19 of the Income Tax Act revises the regulations which grant Canadian status to foreign-based newspapers and periodicals.

Not many people will question the authority of parliament to enact the legislation. Application of it retroactively, however, to established Canadian corporations is another matter.

Reader's Digest and *Time* magazine were granted Canadian status several decades ago under R.S.C. 1952, and are, by law, Canadian publications with inherited responsibilities and rights.

One of the rights, under the Canadian Bill of Rights, 1960, part 1, section (b), is the right to equality of the law and the protection of the law.

The law is defined under part II, section (2) of the act to mean an Act of the Parliament of Canada, enacted before or after the coming into force of the act, any order, rule, or regulation thereunder and any law in force at the commencement of the act that may be subject to be repealed, abolished or altered by the Parliament of Canada.

In assuming authority to go beyond the law, the government has made the law a nullity.

Today the hand of power is directed against *Reader's Digest* and *Time* magazine, tomorrow it could be someone else. An amendment to the Immigration Act could take away the Canadian citizenship of immigrants who have become Canadian citizens.

Another letter I received recently reads as follows:

Dear Mr. Darling:

[Mr. Darling.]

Thank you for the information on the debates with reference to *Reader's Digest* and the tax policies. You certainly did everything possible to help let the *Digest* continue as before. We seem to be on the losing team this time, but thank you for speaking out for us.

That letter came from Mr. and Mrs. A. Baston, of Gravenhurst, Ontario. Let us hope we are not on the losing side this time after all and that something can still be done. I am hoping that the government will yet decide to take account of the views which members of the opposition have expressed. I am speaking primarily on behalf of *Reader's Digest*. I know this issue was discussed and fought in committee. I know, too, that the government's own supporters are not 100 per cent in favour of the bill.

I think of certain members of the standing committee on the government side who were, in fact, against the bill. I think of the hon. member for Cochrane (Mr. Stewart), the hon. member for Vancouver-Kingsway (Mrs. Holt), the hon. member for Ontario (Mr. Cafik), the hon. member for Vaudreuil (Mr. Herbert), and others. There are a great many more who may not have spoken, but those were members of the committee and they did their best to get the government to change its mind. That is one reason I am speaking in favour of the amendment recommending that the bill be given a year's hoist during which the government can reconsider its position, allowing us to consider the matter a second time.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my remarks with respect to motions 1 and 12 in connection with Bill C-58 will be quite brief. I had not intended to speak at this stage until I heard the remarks of the Secretary of State (Mr. Faulkner) which I thought were ill-tempered and partisan. I think it is worth while addressing myself to some of the points raised by the minister, and also to put on record my concern about the government's attitude.

The government has made it quite clear that it intends, whatever the opposition might be within the country, within this House or within its own caucus, to force this bill through parliament as rapidly as possible. I think it is bad legislation. I think the government should take a second look at it before requiring it to be passed. I support motions 1 and 12 which would result in one year's delay in the implementation of the legislation because this would give the government a chance to reconsider its policy and reverse its direction.

There was an interesting development today with the announcement by *Reader's Digest* that it feels the deal cooked up with the Minister of National Revenue (Mr. Cullen) will enable the publication to continue in business. This is an important development. We were told time after time, as government members spoke on this legislation, that it was vitally important to the survival of the Canadian periodical industry that *Reader's Digest Canada* be put out of business and that its advertising revenue be made available to other Canadian publications.

It is interesting that the government should have changed its mind on this issue. It doesn't feel this is important any more. It doesn't feel it is crucial that *Reader's Digest* be put out of business. The Government felt the pressure within its own caucus, within the country at large, and it has finally retreated. It has recognized that it would be extremely unpopular in the country at the

present time to force this legislation upon the Canadian people. So it has left one target. The government is not terribly concerned about peripheral publications such as *MD Canada* which would be affected by this legislation, but they are concerned about *Time*. That is the target which is left. The government is willing to sacrifice its attack on *Reader's Digest* but it remains—the Secretary of State shakes his head and I can hear him from here.

An hon. Member: Oh, oh!

Mr. Faulkner: The hon. member should inform himself.

Mr. Beatty: The Secretary of State says I should inform myself. Certainly, listening to the comments made by the Secretary of State and by the Minister of National Revenue it would be very hard to glean much heard information from either of them. I think the most important thing, watching the performance of the Minister of National Revenue today, was to see how he reversed himself on the policy. He has decided, in an arbitrary fashion, to interpret the legislation in a very different way from the way he said earlier he would be interpreting it. Now, apparently, *Reader's Digest* is to stay alive.

After news release which was referred to earlier, Mr. Speaker, put out by the Reader's Digest Corporation, they heaved an audible sigh of relief about the fact that the government had reversed itself and felt there could not be an accommodation between *Reader's Digest* and the Minister of National Revenue. Mr. Speaker, before *Reader's Digest* feels too comfortable in its new position, before it feels its future is assured, it should take a look at the track record of this government. It should ask itself whether to trust the government to continue to support the policy which has just been announced by the minister or whether, in the erratic fashion in which it has been acting today, the government is not apt to reverse itself again in the future.

The government has been legislating by interpretation in this matter. Then make quite clear what they want to do, and then they find some way around the law without even coming before parliament—as in the case of the 80 per cent difference provision—and thus find some way to force their will upon parliament and the Canadian people. When it suits their purposes to do so, Mr. Speaker, they can keep on flipping back and forth, and it may be that *Reader's Digest* will find once again that they are put on the firing line. They should be aware of this and should look critically at the behaviour of the government before the standing committee.

The Secretary of State, when he spoke earlier, talked of the very open nature of the proceedings before the committee and of the debate which we have carried on in connection with this piece of legislation. Mr. Speaker, if the proceedings in the committee were an example of openness and of the government's perception of the way in which legislation should be handled, I fear for this country's future. I think what has happened in this parliament, and what was exemplified very well by the government's behaviour in the committee as this bill was being studied, is that the government has proven itself to be contemptuous of the rights of parliament and contemptuous of the rights of the Canadian people. They did not have any time for dissent on this bill. The minister himself is very intolerant of people who express opinions which differ from his own. He made that clear in his remarks today. He just wants to put this legislation through, no matter how people feel.

● (1730)

If you take a look at the government's behaviour in committee you will see it has followed a course of action, which I think is very dangerous, in saying that there would be a time limit put on the debate in the committee whether the committee members liked it or not. The government said there was a time limit by which the bill would have to be reported back to the House of Commons, and that the government would put it through the House whether we liked it or not.

At that committee there were a number of Liberal members who had the courage of their convictions to stand up and say they disagreed with the position taken by the government, that they felt this was bad legislation and should not be passed. How were they rewarded for that courage? Let us take the case of the hon. member for Cochrane (Mr. Stewart), the former chairman of the Standing Committee on Broadcasting, Films and Assistance to the Arts. I had the honour in the last parliament to serve on that committee under his chairmanship and I feel he was a very excellent chairman. He was one member of the Liberal caucus who stood and said that in his judgment this was bad legislation. He had the courage to do that in spite of the fact that the government does not look very kindly upon people who speak their own minds. What happened to him? He was not allowed to speak by the Liberal members.

The only way in which a Liberal member who disagrees with government policy can be allowed to speak before a committee is by that member going to the opposition and asking for opposition time to speak.

An hon. Member: That is not correct.

Mr. Beatty: This is the government's attitude and this is the way in which it is dealing with this legislation. I think when the publishers of *Reader's Digest* issue news releases and applaud the course of direction taken by the government they should take a look at the government's track record and the government's erratic behaviour to date. They should take a look at the way the government views those who dissent in respect of government decisions, and they should fear for their future as a publishing entity in Canada.

The minister's problem with this bill is not that he is faced with opposition from this side of the House or that we have been unreasonable in any way in our dealings with the bill. The problem is that the minister has handled the bill in a very incompetent fashion. This piece of legislation is the bright, shining epitome of the government's approach toward the problems of periodicals in Canada.

I asked the minister during the second reading debate, and I ask him again now, when will the government be introducing a Canadian periodicals policy? What is the government's policy in respect of Canadian publishing? We know what it is. It is to continue the vendetta against *Time* and *Reader's Digest*, and I do not think that is acceptable in Canada today.

The members on this side of the House feel very strongly that positive action should be taken to encourage the growth, the health, and the vitality of the Canadian periodicals industry. The minister has done nothing to encourage or sustain the vitality of that industry. Before the minister forces this legislation through the House and puts this piece of punitive legislation into effect we should be able to give him time to reconsider his policies and present parliament with a Canadian periodicals policy which will give positive incentive to Canadian publishers.

I am pleased to see that *Maclean's* magazine has decided to go bi-weekly and become a news magazine. This is a healthy development in Canada and I applaud it. No member on this side of the House would in any way want to denigrate the development that has taken place. I do not know of any member on this side who would want in any way to discourage the development of new Canadian periodicals which are spoken of from time to time in these debates. None of us would want to discourage the development of a truly indigenous Canadian news magazine.

The minister in answer to questioning at the committee by myself, I believe last summer or spring, indicated that there were at least two or three groups looking at the possibility of establishing a new Canadian news weekly. Where are these groups? They have not surfaced. We have not seen an indication that if we drive *Time* of Canada out of business we will in fact have a wholly new Canadian news weekly. I think it is incumbent upon the minister, before he forces this legislation through parliament, to tell us what groups there are at the present time which have made a firm commitment to establish a new Canadian news weekly, and we would like to see this. We would also like to be able to have the opportunity of questioning the minister on the positive incentives he is giving to groups to form news weekly publications in Canada.

What is at issue here is really the right of Canadians to read what they want to read. Certainly it was made clear to me over the course of the Christmas recess that Canadians resent the increasing government involvement in their day-to-day lives. The Prime Minister (Mr. Trudeau) perhaps does not, and he has told us it is going to be necessary for even greater government control of our day-to-day activities.

Canadians who for many years have supported Canadian *Time* and *Reader's Digest* are asking for nothing more than the opportunity to continue as they have in the past to read the periodicals they enjoy. The government, for some inexplicable reason, is anxious to deprive them of that right. That is a wrong and disastrous course of action for the government to be following at this time.

If *Reader's Digest* can survive, as it has indicated today in its news release, this is very interesting because the government will have admitted defeat on one of the things it wanted to do. It is quite clear, if you read speech after speech made by government members on second reading of this bill, that they were anxious to do away with *Reader's Digest* in Canada, and did not like the sort of service provided Canadians by *Time* Magazine. It is quite clear in this case, if what *Reader's Digest* says is correct, that at least in respect of *Reader's Digest* the government has admitted defeat and decided that *Reader's Digest* should be allowed to continue. This is one very important development that has taken place today. The government has retreated on one aspect of this bill.

This whole issue raises questions of economic and cultural nationalism. I believe we should do whatever we can to repatriate our economy and culture to Canada. I believe this should be done by strong, positive incentives which will allow Canadians to encourage entrepreneurship. I am sure that Canadians would support the government in passing legislation which sets rules of behaviour for corporations operating in Canada, and I believe that multinational corporations operating in Canada are willing to accept that. Some of the argument that has been made in respect of this legislation is that this is precisely what the government is doing. I do not think that is the case.

A couple of years ago the hon. member for York-Simcoe (Mr. Stevens) and I had the opportunity of travelling to Washington and talking to the people there who run the Canadian desk in the U.S. State Department. We asked them about this question of economic and cultural nationalism, and what American reaction, both governmental and of the business community, was to Canadian action attempting to Canadianize our economy. I was surprised by the response. I had initially expected there would be a certain amount of hostility among Americans to a Canadian attempt to take control of our own economy. I was surprised to learn that was not the case.

The official with whom I spoke stressed the fact that Americans recognize that we must be the masters in our own house. They recognize the fact that Canadian nationalism and Canadian independence are a healthy force in the world today. They recognize it is necessary and quite proper that we should take action to protect our interests and to encourage Canadian culture.

These people made the point very clearly that they were prepared to live with whatever rules were set by the Canadian government. They felt that the American business community was willing to abide by these rules. However, they pleaded with us that, once we set the standards for American corporations operating in Canada, we live up to our own regulations. They cited instances where the government had simply reversed itself overnight; having set standards of behaviour for Americans operating in Canada it changed the rules in the middle of the game. This is clearly the case in respect of this legislation.

The government has brought in legislation before. At the present time there are regulations governing the conduct of *Reader's Digest* in Canada. For some unknown reason the minister has decided it is not good enough that they abide by the laws which have been passed by the Parliament of Canada, and not good enough that they attempt to be good corporate citizens in following the regulations which were set by the government from time to time. Now he wants to do away with these companies operating in Canada.

This is the sort of reversal or flip-flop on the part of the government that has done so much damage to our relations with our neighbours to the south. Those people recognize and accept the concept that Canadians should take strong action to repatriate control over our own economy, but they say that once we set the rules and pass the legislation in this parliament, and once we say to foreigners that they are welcome to operate in Canada as long as they abide by

our regulations and our laws here, we should stop flip-flopping overnight and completely reversing ourselves. I think Canadians, and the other people who would like to operate in this country, are entitled to better behaviour on the part of our government.

● (1740)

Before Christmas the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) raised another point at which I think we should take a look. I refer to the effect the government's action will have on the stock of *Reader's Digest*. The people who have invested in the stock will find that their equity has turned down because of the government's action. I think many Canadians, who are not rich or powerful, are trying to save for retirement by investing in such a company. The action of the government simply will take away a part of the nest egg they have been trying to set up for their retirement. I think this is a point which should be recognized by the government.

I repeat that this bill is not in the interest of the Canadian public and industry. The government is proven to be bankrupt when it comes to producing incentives for Canadians to develop a strong and viable publishing industry in Canada.

The minister has lost the respect of the Canadian cultural industry. He has been forced to go incognito with his new beard so that he will not be recognized by angry artists who are tired of the vacillation they see today. I think members on this side of the House feel very strongly that the government has a responsibility to come up with strong, positive policies to encourage Canadian cultural nationalism and give the artistic community an opportunity to survive and prosper. This legislation does not do that. It is punitive, unfair, and bad legislation. I believe this legislation should be set aside for another year before it is put into effect.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, there are a few things I should like to say about this legislation at this point in time. It seems to have a tendency to degrade this institution and the people in it by leaving the impression with the public that members of parliament do not have a voice and are not heard, but I think the fact that members of parliament in all corners of this House have expressed some of the reactions of the Canadian public shows that we do have a concern and speak out about that concern on our own part and on the part of our constituents.

I believe the public has taken some heart from the fact that spokesmen from all parts of this House have expressed their views in the hope that perhaps the government would respond. While I am not completely happy about the way in which the government has responded, I should say that the Minister of National Revenue (Mr. Cullen) at the very least has ears that hear, and has a public perception of what people want, as well as an appreciation that perhaps culture cannot be legislated or that social habits cannot be legislated, as some of his colleagues unfortunately seem to believe.

From that point of view I always feel it is great when parliament is strengthened in any way and when members of parliament, regardless of their political affiliations, stand up and are counted on behalf of their constituents. In that regard I would have to say the ruling in respect of the regulations indicated by the minister is a victory for the individual member of parliament in this Chamber.

Second, I should like to say that unfortunately, as so often happens, once again the deliberations of the committees associated with this parliament have been proven to be useless and worthless from the point of view of really producing something of value and benefit to the Chamber. Committees are asked to consider in depth the legislation that is placed before the House. Witnesses are invited from all parts of the nation to appear before committees to express their views. Then in some minister's office negotiations are carried out that are not heard by members of the committee and that are not a part of the report rendered by the committee.

The government made a farce of the committee which considered this legislation by moving members in and out of it in a game of musical chairs when it was found that some members voiced dissent in respect of the government's proposals. Then at the eleventh hour the people affected sat down with the minister and his officials, and all of a sudden a magic formula appears which changes the whole concept of what the legislation is purported to do. That, unfortunately, is the bad aspect of parliament and what it stands for; it is a bad aspect of the committee system so far as this parliament is concerned.

I remember an occasion when the Standing Committee on National Defence was supposed to be considering what our posture would be in respect of NATO. In the midst of our hearings the Prime Minister (Mr. Trudeau) made a pronouncement which did not even take into account the fact that the committee was deliberating on the matter. He cut them off at the pass concerning what they might produce. How can members of parliament take committees seriously when this happens time and time again when the committees are considering propositions that have been placed before them? That is the sad part of what has happened today.

What bothers me, my leader, and most members who are taking part in the debate on this subject is that here we have a firm that is in the business of publishing which has a deep concern about what its future in this nation would be if the legislation should become effective, whose representatives find themselves in the unfortunate position of going to a minister's office and accepting a proposition in relation to regulations as to the future of their operations.

I have no doubt that the Minister of National Revenue is as good as his word. He always has been with me and in this House. I am sure he will always be so long as he is a member of this House, either in cabinet or outside cabinet. I know that any businessman who had to rely on what this minister told him could feel confident about the word of the minister, but I am very concerned about the fact that he might not always be the Minister of National Revenue. Indeed he should not be, because he is a man with much ability and promise who could do a lot of good for the country if he were in the right positions in government. This company, however, has to rely on the interpretation of his successors in respect of the regulations. I would not want to be a businessman in this country if I had to depend

from day to day on the word of any minister of any government in respect of the interpretation of regulations.

● (1750)

There are 500 employees in this country who rely on what the government does about these regulations, and who would like to know whether or not they will get their pay check at the end of every week. I do not think that we as members of parliament should subject any group of individuals to such a guillotine. For that reason I suggest to the minister that he consider this amendment before us, or bring in some other amendment to the legislation which would give more strength to what he is now proposing with regard to *Reader's Digest*.

Canadians in general believe that *Reader's Digest* should continue to be a Canadian publication because they like it, they subscribe to it, they enjoy it, and they want it. I think that the minister and the government came to that conclusion belatedly, and because they hate to face that fact they might have to involve themselves in a completely new debate on this bill they are endeavouring to do by the back door what most Canadians want them to do by the front door. I say there is no reason why we cannot do it by the front door.

I do not think there is any major argument about any other aspect of this legislation, and because it would be in the best interest of parliament to get this legislation out of the way so that we can deal with other things I would like to urge the minister to consider this amendment, or to bring in another amendment putting into effect what he proposes to do by regulation so that *Reader's Digest* may feel they have a guarantee not just for today or for the duration of the minister's tenure as the Minister of National Revenue, or for the tenure of this government, but for all time until a government comes in with another piece of legislation some day in the future and says it wants to change the rules whereby we, and the people of Canada, will know that the only way in which a change can be made is through parliament and that members of parliament will be given an opportunity to have their say about what the change will be.

It worries me a lot to think that the government feels that it can find a method or a device at the eleventh hour to do something that we have been urging it to do all along because it knew that it would not be an easy task to get this legislation through the House without using closure. Surely that would be the most retrograde step possible which would make Canadians believe that not only do they have a government forcing legislation on them which dictates their cultural and reading habits but that it was imposing these things upon them by closure.

I do not know how hard I have to work to convince the minister that there is another way in which he can do it, a way which would give a guarantee to *Reader's Digest*, and a guarantee to members of parliament who have tried so hard to convince the government that this is what should be done. The minister should offer the Canadian people an assurance that what they want will take place in the proper way. This is what I urge on the minister.

I think the minister will find that a degree of co-operation from members of this House which has not existed up to now because of the step he has taken will be forthcoming if he accepts my suggestion. I think there is a major difference between *Time* magazine and *Reader's Digest*. *Reader's Digest* is the type of magazine that relates to people in a completely different way. It has given a great deal of security to a great many Canadian writers. I think they are desperately concerned about their future in continuing their writing for *Reader's Digest* in the days ahead if that magazine is put out of business.

I think also that magazines such as *MD* are in need of some assurances. That magazine might well conform with the regulations that the minister has brought down for *Reader's Digest* and therefore be able to continue its publication. I think it is a most useful magazine both for the medical profession and the public in providing information about the health and well-being of our citizens. It is a magazine that does not interfere with any other magazine of the same calibre in this nation, and therefore we should do everything we can to ensure that Canadians have access to it.

I urge the minister to transfer the proposition he put before the House earlier today into some form of amendment so that this legislation can be passed by the House, and so that we can get on to other business of value and benefit to the nation. If we were to do that it would give hope to the people of this country that Canadians are heard by the government when they speak out and when they find representatives in all parties to voice their concerns, because the action of the government will be an indication that it has heard them.

Perhaps the government took a long time, and perhaps it took members on the government side to stand up in committee courageously and oppose the government's legislation, sometimes only to find out that they were no longer members of the committee and were replaced by other members who would go along with what the government said. Perhaps that was necessary to convince the government of the seriousness of members of parliament when they proposed that *Reader's Digest* should be allowed to continue in existence in this country.

I am looking now at the hon. member for Ontario (Mr. Cafik), who was certainly in the forefront of the fight to allow *Reader's Digest* to continue to live. He deserves our congratulations. He is a man who puts the feelings of the nation and of his constituents above party loyalty, not on every issue but on important issues. He does not really feel the government should be dictating what we see, write, and read. I congratulate him, and I say to him that because of actions such as he has taken parliament is a stronger and better place for all of us.

The Acting Speaker (Mr. Turner (London East)): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, on November 24, 1975, the Secretary of State (Mr. Faulkner) spoke at the opening of the CBC centre in Vancouver, and toward the end of his remarks he had this to say about Bill C-58, which is really his latest pronouncement: "At this time I cannot say how effective the legislation will be. We will have to give it time." Unfortunately the bill has not had time to be passed, to be brought into being or to work, let alone to become established.

We cannot demand a guarantee of success every time the government brings in legislation, and we do not in this case. However, while guarantees are unnecessary, surely there should be some likelihood of success before the government asks this House to approve a measure such as this. I suggest to the minister that there is no such likelihood in the case of Bill C-58. On what basis do I make this suggestion? I make this suggestion having sat on the committee and heard, time and time again, from witness after witness that Bill C-58 cannot and will not achieve what it was set up to accomplish.

What seems to be the purpose of this measure? It seems that the purpose of this measure at many different levels, and from perhaps even the smaller, more insignificant level, is just taxation, and it applies to the larger and broader issues of Canadian cultural identity, Canadianism and so forth. I wish to address myself to that element a little later on, but first I should like to outline some of the other reasoning involved. It is claimed that this measure is intended to encourage the growth of a strong and viable Canadian broadcasting and publishing industry. How? It will do so by denying to all advertisers in non-Canadian media the right to deduct the cost of such advertising from income tax as a business expense.

Since this bill has received second reading I cannot reiterate my opinion that it is unfortunate that the very basic principle is at fault, but because the principle is at fault, this amendment should pass. This amendment will delay implementation, and by delaying implementation perhaps the government will have an opportunity to see that a great business principle established throughout the world should be maintained in Canada.

The question is then, will this method prove successful in the stated aim of strengthening Canadian broadcasting and publishing? Again I suggest that the answer is no. Furthermore, this measure will do great damage to many Canadians, to those whose jobs will be lost and to those who may lose the reading and viewing material which has been available and which gave them a broader freedom of choice.

With regard to the potential effectiveness of Bill C-58, the first point to be made is that there is substantial evidence that no significant amounts of advertising revenue will accrue to Canadian media as a result of this measure. Of those non-Canadian media most affected, *Time* magazine has vowed to reduce its advertising rates to compensate its clients for the loss of tax deductibility. KVOS television in Bellingham, Washington, is going to follow the same course. *Reader's Digest* estimates that only 19 per cent of its current advertising would be diverted to other magazines, and most of that would go to Maclean Hunter. Now that *Reader's Digest* has indicated that it can reach a compromise and continue to exist under these provisions, that revenue will not accrue to Canada.

The very objective of the bill, to increase revenue to those magazines the government has defined, or seems to have difficulty defining as Canadian, and to bolster our culture as a side effect, will not be met, by the admission of the minister today in the House. So where are the massive amounts of advertising money supposedly released for the Canadian media? Where are they coming from, and how is this bill helping?

The second point to be made here was made before the standing committee by representatives of the Association of Canadian Advertisers. That is a group of 215 companies which together account for over 75 per cent of all expenditures on advertising annually in Canada. Their point is that the reduction in competition resulting from this bill could well have the inverse reaction of reducing, rather than stimulating, the demand for advertising in Canadian periodicals and on television. Mr. Tom Blakely, the president of the association, put it this way:

> Our Association is concerned that if advertising expenditures cease to be deductible in circumstances contemplated by the bill, not only the purpose underlying the bill may not be achieved but also advertisers may be adversely affected.

As a lay politician I quote these people because they are expert in their field. I suggest that their knowledge is at least equal if not superior to the laymen politicians of this House. The professionals in the field tell us that we will have inverse, adverse effect rather than the positive one contemplated in the bill. Mr. Blakely also said:

> Some advertisers might well reduce their expenditures in the magazine medium as a whole and use their dollars in a more efficient or less costly way.
>
> As outlined in our position paper, *Time* and *Reader's Digest* are key factors in many advertisers' decisions to use magazines as an advertising medium. We feel that the bill would impede advertiser access to *Time* and *Reader's Digest*. Those publications may cease to publish their Canadian editions. If that happens, many advertisers would face significant cost increases in using magazines to achieve their advertising goals.

● (2010)

In regard to broadcasting he said:

> We therefore feel that the serious reduction of border-station competition will increase the market power of the viable Canadian stations. That may result in higher advertising costs on those stations with these results. Advertisers will have to pay more for time on stations that deliver the audiences they seek and that will leave less money to be spent with new or developing stations so that, in fact, the ability of those stations to grow and become attractive to advertisers may be hindered.

Taken together these two points underline the futility of this bill. No substantial sums of money become available, and what does become available more likely than not will not end up supporting the struggling Canadian media we are supposedly trying to help. For a bill that holds out such meagre hope of yielding any positive results, C-58 has more than its share of negative end products.

It seems to me that as this bill progresses it gets in deeper and deeper. Perhaps it was well intentioned at the start but it might well be left not only for a year, as the amendments suggest, but might well be left, redrafted, and tried again under a little broader objective.

At this point I want to commend the minister, which might seem rather unusual. I think he is attempting to do something in the direction of shaping Canadian identity and I think this is a proper direction. If we look at the definition of what a Canadian is, a very simple dictionary tells us it is "a native or inhabitant of Canada". I think as maturing Canadians we need to move beyond the simple definition. I think we need to make a definition of Canadian newspapers, Canadian magazines, Canadianism and as far as the minister makes that kind of attempt in this bill, I applaud him.

The thing that concerns me is that he seems determined to impose his idea of Canadianism upon Canada—it seems as if he feels bound to get his way and if he does not get his way he will bring in other legislation. The bill itself loses this kind of direction and credibility where we look for this Canadian identity because its first purpose becomes more and more to say yes to 75 per cent Canadian ownership. That will make it more Canadian, so I think it is a good move. But what happens after that, Mr. Speaker? The minister does not stop there but goes on to the "Canadian content different" rule.

All of a sudden what started out as a very high and worthy objective seems to move from a matter of wanting to throw out something—it starts to take on an "anti" tinge just like anti-Americanism or the evils of pro-nationalism. We have to be very careful that our pro-nationalism is not expressed in negativism. I think when we get into this content rule we go a little beyond the positive direction that was initiated in the original pronouncement of this bill.

The minister seems to be talking about Canadianism or Canadian culture. What is this elusive culture that he is attempting to stimulate by this bill? One definition defines culture as the customary beliefs, social forms, and material traits of a racial, religious or social group. The other part of that cultural identity is looked at as the condition of being the same with something described or asserted, or sameness or essential generic characteristics.

All of a sudden we are talking about losing our cultural identity, this identity of Canadianism—but we lose this anyway when in this bill we talk about content differential. If we look to this commonality of beliefs as representing a cultural identity we must ask, what is this commonality and how is it expressed? When we talk about 80 per cent difference we should really be talking about the similarities. I would suggest that between Canadian and American culture there is easily an 80 per cent similarity. In fact, I would say that would be true if comparing our culture with any other culture of mankind. We should be emphasizing the things that we have in common rather than any differences.

When we look at cultural identity I suggest that we have started a thrust here. Even if the minister scraps this bill, delays it, modifies it, or passes it, I hope he will not lose sight of this thrust, this beginning to identification of Canadianism. Indeed I hope he will carry this further because until we decide on a definition of Canadian, how can we determine how we want to get there? The first job is to identify what we are; after we identify what we are then we must decide what we would like to become, what we ought to become, and then decide on measures to work toward this goal. We are doing it all backwards; we are feeling a strong surge of Canadian nationalism and saying, now let's do something about it, before we can even identify what it is.

[Mr. Wenman.]

I think the minister is struggling to find what it is. He talks about the struggle to uphold the ideals of Canadian identity and unity. Those are good words and thoughts, and I think he sincerely means them. The minister is a highly competent and intelligent individual and he knows that is what he was trying to do with this bill, but it is not working. I am sure he knows in his own mind that if he could accomplish only the 75 per cent Canadian ownership he would be better off than muddying the waters as he is doing with this content rule.

The content rule has much broader implications, but I do not think the minister wants a cultural czarism where we say, "This is Canadianism, and this is the border around Canada." That is what the bill is leading up to and I would ask the minister to step back and look at the amendment again. Perhaps he feels that he does not want to lose the progress the bill has made, so the bill could be referred to committee again during this year to grapple with the question of Canadian identity and culture. The subject is so large that we probably would not get near it, but we might discuss what Canadianism is, what a Canadian is, what Canadian identity is and what Canadian culture is. If we reach a common denominator on Canadian culture then we might be able to develop methods for teaching it. We are going in a directionless direction at the moment, and that needs to be changed.

My appeal on this first clause is that the minister accept this amendment and show faith in the parliamentary system, in the committee system. Otherwise this, unfortunately, will be a sad day for democracy.

● (2020)

The minister described the process which led to this legislation and pointed out that the government had considered, in the procedures leading to this legislation, the recommendations of two royal commissions and of the Senate committee. But he forgot to add that the parliamentary committee had also made its contribution. The parliamentary committee was engaged in its deliberations, but the minister did not allow that committee to provide any input. The government did not respond to it. Instead of listening, the minister throttled the committee and throttled his own members, so to speak. That was unfortunate for parliament and Canada, as such a committee can do a great service in establishing this country's cultural identity and showing the direction in which we should move.

I hope the minister will respond this evening and make a positive contribution. Instead of adopting a negative attitude, instead of giving a negative definition as to what a Canadian is and what Canadian culture is, let him be positive and say how we are to move positively in the direction of establishing Canadian identity. We should not move in the direction suggested by this bill.

Mr. Bob Brisco (Kootenay West): Madam Speaker, I note that the Secretary of State (Mr. Faulkner) listened with interest to the speech of the hon. member for Fraser Valley West (Mr. Wenman). The hon. member's appeal is

valid. I hope it struck a responsive chord in the Secretary of State's mind.

The basic thrust of Bill C-58 is suspect. Frankly I fear that the government is doing again what is has done for some time past, creating an addition to its burgeoning bureaucracy. Actually I can see an entirely new bureaucracy being created. There will be new offices and new appointments, simply to monitor Canadian content. Or is the Canadian content of our Canadian publications so small that we need appoint only one person to measure it, no matter whether he measures it by column inches or percentages? That part of the Bill, I feel, is suspect. That is why I support motion No. 1, in the name of the hon. member for Fundy-Royal (Mr. Fairweather).

I question the ability of any thinking person to distinguish between "different", "substantially different", and "substantially the same", to distinguish between what is truly Canadian, what is pseudo-Canadian, and what is not Canadian. Apparently if a Canadian author were to write an article solely about South America or solely about Africa, his article would be classed as being of Canadian content, even though it is not about Canada. The author is Canadian you see. On the other hand, if an African author were to write an article solely about Canada, it would not be considered as being of Canadian content, because the author would be from Africa. Are these anomalies not strange? I suppose the only truly Canadian articles would be ones written by Canada's scouts or cubs. I ask hon. members to reflect on this.

Will this law, and regulations passed under it, suffer the same fate as other laws and regulations this House has passed in the last little while? For example, you will remember that the Minister of National Health and Welfare (Mr. Lalonde) claimed that the government was being generous with Canadians by removing the tax from shoes and clothing. Members asked if the tax saving would be passed on to the consumer and the minister said that, of course it would be; the government would monitor the process. If my memory serves me correctly, two members of this House questioned the minister at different times on the effectiveness of the program and on whether the government was making sure that the tax reduction was passed on to the consumer.

Later the government removed part of the tax on building materials and we were told that, yes, the government would monitor the process and make sure that tax savings are passed on to the consumer. That matter went into limbo. Nothing has been said about it, or heard about it. Little has been said about the tax abatement. No one, either on the government or opposition side, has expressed concern and wondered if the consumer is reaping the benefit. I suggest the same will be true with Bill C-58. Assuming it becomes law—perhaps I assume too much—and assuming the regulations are drafted, I foresee the entire matter disappearing into a vague limbo. Yes, there will be talk of monitoring the bill and of looking into the anomalies and aberrations which will take place. Finally, two or three years after passage, no one will know how to interpret the bill. That will happen if the House does not adopt motion No. 1.

The government has intruded on various aspects of Canadian life. At one time it said that the government has no place in the bedrooms of the nation. Now, apparently, it is to take its place in the reading rooms and libraries of the nation. It is to control what Canadians read. Some claim that any talk of censorship in connection with Bill C-58 is simply a red herring. I do not accept that. Surely the government is intruding on what we can read, and Lord knows for what reason. I can see the government becoming involved in other areas of our life. I should not be surprised if, next month, *Playboy* magazine carried in its centre fold, in full living colour, the Secretary of State in hirsute splendour, but possibly without his glasses. Seriously, I am pleased to see the Secretary of State there.

An hon. Member: In what magazine?

Mr. Brisco: *Playboy*. Perhaps that is stretching the imagination a little far in that particular context, but perhaps I am making my point.

Evidently the government intends to intrude on what we can read and on how productive our Canadian publishing industry will be.

On January 6, 1976, the *Vancouver Sun* carried a report concerning the proceedings of the Standing Committee on Broadcasting, Films and Assistance to the Arts, of December 4, 1975. The author of the article is Lisa Hobbs. May I quote from the report of the proceedings, as reported in the *Vancouver Sun*.

Committee member John Roberts (L.—St. Paul's): If the Canadian edition of *Reader's Digest* wishes to make an arrangement with, say, an American author such as Norman Mailer, for an article and that article appears . . . that is part of the 80 per cent substantially different?

SECRETARY OF STATE HUGH FAULKNER: I would think so.

MR. ROBERTS: Can they sell it?

MR. FAULKNER: I don't want to get too deeply involved in this . . .

● (2030)

That statement is a reflection of the thinking of the Secretary of State. Quite frankly, the Secretary of State has a tiger by the tail. He wishes it were a Persian cat. It is going to bite him. The minister is being scratched, indeed bloodied, by the introduction of Bill C-58.

When speaking a moment ago, the hon. member for Fraser Valley West expressed the discomfort and concerns about the areas of vagueness in this bill. I share his feelings. He asked where the minister is heading and what he truly wants.

In the treatment of this bill in this House, there has been very unusual procedure. It was forced into closure on second reading, expanded and debated in committee at great length, and four members of the government party were removed from the committee. I am sure Your Honour will agree that that is an unusual procedure.

With the protracted debate on clause 1, it is very difficult to conceive that in the beginning the bill probably had wide Canadian support. Indeed people in my constituency were in favour of this bill initially. That support has been reversed. People no longer speak of being in favour of Bill C-58. Letters from my constituency run ten to one in opposition to the position of the minister. That is a reversal of feeling. Why is it present? It is because of its vagueness of basic purpose, and its thrust which is really no longer understood by Canadians, nor for that matter by many members of this House.

Non-Canadian Publications

There are three points that can best be made at this time with reference to an organization called the B.C. Civil Liberties Association. In a letter addressed to the minister that association said, and I quote:

> Unfortunately, we cannot consider the promotion of a 'truly Canadian' outlook by the destruction of what have hitherto been publications supported by Canadian readers as other than censorship. Censorship in our understanding is content control or content manipulation by government.

This is a very unusual, perhaps unexpected approach by the B.C. Civil Liberties Association which, like any other organization of similar thrust, is nationalistic in its views. It went on to say:

> Deduction of expenses does not appear to us to be a privilege which the government of the day has allowed a business only where socially desirable aims are to be achieved by the outlay. Deductibility is the ordinary rule and not a 'special advantage'... thus the content test which may result in non-deductibility for advertising in certain publications (which may be domestically owned and printed) creates an anomaly operating against these publications. It does not remove an anomaly which once favored them.

In their final remarks they stated:

> We do not know what aspect of content a future government, still disclaiming (as you do) any intention to censor, might see fit to consider in imposing taxation. A still more nationalistic administration might decide to define only writings about Canada as domestic for taxation purposes.
>
> A paternalistic government might decide that creation of jobs for Canadian writers was so high a priority that only Canadian citizens' work would rank as domestic. As civil libertarians, we would not be concerned with what laudable motives might underlie either of these fears of content manipulation.
>
> Nor are we concerned with the policy of cultural renaissance which underlies the current government's policy. Our objection is to the intended results, not to the reason for seeking those results.

So spake the B.C. Civil Liberties Association. I would think that the directors of that organization in seeing the letter go forward would certainly be aware of its contents and be prepared to endorse them. Otherwise it would never have gone forward. It is interesting to note that among the directors of the B.C. Civil Liberties Association we find such notables as "Justice Minister Ron Basford". The party to my left, which is in favour of Bill C-58, has failed to mention this, but another of the directors of the B.C. Civil Liberties Association, and his name is given, is the great libertarian, Tommy Douglas. Is it not strange that we should have two such notable politicians who in the House are supporting the bill and who serve as directors of an association which strongly opposes it?

My other concern is with reference to the very thrust of the 80 per cent, 75 per cent, 20 per cent, 40 per cent, or whatever. There is nothing in the bill that really defines it. We have been informed that these provisions will appear in the regulations. I understand the second amendment will deal with that very fact. However, I find it very disturbing that it is not clearly spelled out in the bill. Rather, it is subject to the whim and change of the ever-changing ministers. God knows, we see enough of that in this House. It is also subject to the ever-changing bureaucrats who perhaps will be responsible for the implementation of Bill C-58 if and when it becomes law.

Let me join with other members of the House such as the hon. member for Fraser Valley West in supporting amendment No. 1 at report stage of Bill C-58.

[Mr. Brisco.]

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on motions Nos. 1 and 12. Is it the pleasure of the House to adopt the said motions?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): All those in favour of the said motions will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to Section 11 of Standing Order 75, the recorded divisions on the proposed motions stand deferred. The House will now proceed to Motions Nos. 2 and 3.

Mr. Steven E. Paproski (Edmonton Centre) (for Mr. Fairweather) moved motion No. 2:

> That Bill C-58, to amend the Income Tax Act, be amended in Clause 1 by striking out line 14 at page 1 and substituting the following therefor:
>
> "a market in Canada *where more than half the contents* of such issue, excluding advertisements, are substantially the same as the contents of an issue that was printed, edited or published outside Canada."

● (2040)

[*Translation*]

Mr. Jean-R. Roy (Timmins) moved:

Motion No. 3.

> That Bill C-58, An Act to amend the Income Tax Act, be amended in Clause 1 by striking out line 14 at page 1 and substituting the following therefor:
>
> "a market in Canada, except in the case of a newspaper or periodical whose general content relates to scientific or medical subjects and is published for the general interest and benefit of professionals."

[*English*]

Mr. Benno Friesen (Surrey-White Rock): Madam Speaker, I rise to speak to Motion No. 2 on behalf of my hon. friend, the member for Fundy-Royal (Mr. Fairweather).

I should say at the outset that the amendment he has proposed is a conciliatory one; it has obviously arisen out of the intransigence of the government on this issue. It is designed as an effort at conciliation. I should like to make it clear that I, for my part, do not share an approach on that level; I would not support any kind of restriction being placed on the freedom of information in this country. I am moved to read several lines on this subject which I believe to be à propos.

On a huge hill,
Cragged and steep, truth stands, and he that will
Reach her, about must, and about must go,
And what the hill's suddenness resists, win so.

Some hon. Members: Author?

Mr. Friesen: John Donne.

An hon. Member: They have never heard of John Donne.

Mr. Epp: Does he qualify under the 80 per cent rule?

Mr. Friesen: I guess those Phillistines opposite do not recognize good poets when they hear them.

It has always been the hallmark of good journalism that information should have free concourse in a society. The free interaction of information and discussion has always been the accepted medium of discovering truth, and truth has always been the goal of good journalism. It is upon the percolation of information and discussion that news magazines and the intellectual health of a nation depend. Now, it would seem, those famous lines must be rewritten on the basis of the government's intention, and we must read them:

On a huge hill,
Cragged and steep, truth stands, and he that will
Reach her, about must, and about must go
To the Secretary of State's Department,
The Revenue Department and the Justice Department.

I suggest this is not the kind of foundation on which a nation is built, and I would simply refer to the historic experiences of nations around the world which have experienced the kind of measures the government is trying to introduce. If the government would look at the historical record of those nations which have introduced measures such as this, which really has at its heart the control of free access to information, it would find that the nations which introduced such legislation are those with which it would not want to identify itself.

Look through the pages of history at the experience of the nation of Persia or of the nation of Rome. Look at the Reformation and the Counter-Reformation. Now look at the 17th century in England. It was a Puritan government in England which first introduced legislation requiring the licensing of books in that country. The government felt legislation was necessary to control information because it was not sure what the printers were going to print and wanted to make sure that the material that went out to the reading public would meet the desires of the establishment of the day—that it would no way threaten those in power. I keep wondering whether there is a parallel between the experience of those nations and the government we face today.

Behind all this, I suggest, is a feeling of insecurity. Surely when we begin to build walls we are announcing in loud terms that we feel insecure, that we feel threatened. One of the hon. members opposite has already used a very good term for it, namely, cultural paranoia. Maybe the government is experiencing just that. It feels threatened from every side.

It seems strange to me that while the government is seeking to impose restrictions of this nature on the publishing industry it should also be espousing the cause of free enterprise—at least it was doing so as recently as last December. Until last December, at any rate, the market was to be open. On one hand they want a free market in the economy but, on the other, they do not want a free market place in the publishing industry, in the world of ideas. What is wrong? Is something wrong with the thought patterns of Canadians? Is there something wrong with the way we think? Is there something wrong about the ideas which come across international boundaries? Are we afraid of those ideas?

Along with all other members of the House I want to see the Canadian identity enhanced, and in many ways I agree we are sometimes too greatly affected by cultures other than our own. But that is a choice we make. We can never reach the point in this country at which we restrict our people when it comes to opportunities to make an individual choice. As soon as we restrict free movement of ideas across international boundaries we are telling the people: you do not have the right to choose what you should read or think.

While I enjoy the distinctiveness of the Canadian identity I hasten to add that I do not regard it as sacred. It is not the only valid identity in this world. Are we afraid of the ideas which come from the United States, or of the ideas which may come from Germany, Japan, India or China? Why is it the government wants to restrict the 80 per cent content on the free inflow of information? I ask the minister very seriously whether members of his department or any other department of government are competent to deal with this kind of legislation?

● (2050)

The issue is not one of establishing a Canadian publishing industry. The issue is whether each Canadian has the right to read that literature he chooses to read, and make for himself the decisions as to what reading material ought to cross his desk. Again we come to the same issue on the other side of the spectrum. We are dealing with periodicals that for the most part are widely accepted across Canada as being reputable, wholesome reading literature, albeit in the case of *Time* magazine especially we may not always agree with its opinions as it may have some subtle overtones. At least we have the opportunity of making the decision. What the government wants to do now is take that choice away from us.

The decision on the part of the government to introduce a content rule is restrictive and paranoic, and has no place in a country that honors freedom. As I have suggested before, if the government is really serious about having dependable guidelines, and I emphasize the word dependable, for writers to follow, the most simple thing the government can do is withdraw this legislation as it stands and include the so-called Cullen rule, so that the country will then know in a very firm way exactly where we stand on this ruling, and will not be carried about on the whim of fancy of every minister who comes into this portfolio. The rule will then not be subject to the dyspepsia, of the minister of the day.

How are we going to know whether the departmental rule which says 80 per cent today is going to mean 80 per cent tomorrow? Our country is founded on law and on the

need for a firm and dependable understanding of where we are. I challenge this minister to find some way of including his ruling in the law so that we know by the final decision of this House that we are dealing with a statute and not with a departmental regulation.

I challenge this minister to work with other members of his Cabinet in finding some way of accommodating the regulations he has articulated by putting those regulations into the statutes, so that the House of Commons can debate the ruling rather than simply having this done by departmental regulation. In this way the writers of our country will know where they are at and will be able to write with a feeling of security.

Mr. Jean-R. Roy (Timmins): Madam Speaker, the amendment I have proposed to the House for adoption is a very simple one and does not require a long explanation or speech.

Mr. McGrath: Madam Speaker, I rise on a point of order. I thought we were on motion No. 2, yet it seems the hon. member is speaking to his own amendment.

The Acting Speaker (Mrs. Morin): The two motions have been grouped together.

Mr. Roy (Timmins): Madam Speaker, I thought we were discussing motions Nos. 2 and 3 at the same time. I was suggesting that the amendment I proposed was a very simple one which requires little explanation. It would exempt from the changes the minister has proposed newspapers or periodicals whose general content relates to scientific or medical subjects published in the general interest of and for the benefit of professionals. My amendment deals with a very specific type of printed material which zeroes in on subjects of particular and specific interest to professionals and scientific people. I cannot for the life of me think why such scientific material would represent any sort of challenge to the cultural integrity referred to in this bill.

If the material to which I refer does not in any way affect the culture of Canada and is rather strongly directed towards scientific and medical material, I can see absolutely no objection, and no reason why we should not exempt that type of published material.

It has been said that the government does not want to make any exceptions. I do not understand the reason for that because I think we should not only be looking at the short term but as well at the long term in respect of these specific publications. It is already too evident that the bill seems to be pointing at two publications, namely, *Time* and *Reader's Digest*. We have all seen the statement of Mr. Zimmerman on behalf of *Reader's Digest* this afternoon. It seems to me that if we are going to consider this legislation we should have the wisdom to adopt the long-term view, and in that way present acceptable legislation. In this way we would not be placing unacceptable controls on the publication of specific scientific and medical material which is published for the purpose of educating doctors and scientists. I certainly hope this House will give favourable consideration to this amendment, finding it desirable and acceptable.

[Mr. Friesen.]

Hon. Jack Cullen (Minister of National Revenue): Madam Speaker, as I listened to the speaker for the opposition, just prior to the last speaker, I wondered whether we were even talking about the same bill. There seemed to be some suggestion of censorship, or that people are being forbidden to read what they choose to read. I would respectfully suggest another reading of the bill which would indicate that there is freedom of information, and a freedom of choice so that the *Reader's Digest, Time*, or any other material the hon. member wants to read will still in fact be available.

I think this kind of misrepresentation and misstatement in respect of the bill does the hon. member little credit and does a disservice to the Canadian public. There is in fact no intention to curtail the free flow of information. I will leave it at that, and deal primarily with the percentage content.

It seems to me as we reach this stage of the bill it would be appropriate that I make a few comments on the government's interpretation of "substantially the same" as used in Section 19 of the Income Tax Act. The interpretation has been both misunderstood and misrepresented, and I welcome this opportunity to ensure that the record is clear.

On January 23, 1975, the Secretary of State (Mr. Faulkner) announced the government's intention to remove the special tax status enjoyed by certain foreign-controlled publications. Bill C-58 seeks to repeal sub-sections 19(2) and 19(4) of the Income Tax Act, and in that way no business deduction may be claimed for the cost of an advertisement placed in an issue of a non-Canadian periodical if the particular advertisement is directed primarily to a market in Canada.

Predictably and appropriately enough, periodicals affected by this change in legislation carefully re-examined the bill first passed in 1965 and had little difficulty in understanding that in order to become qualified as a Canadian magazine within the meaning of the act it would become necessary first to be produced and published in Canada.

● (2100)

Second, it would have to be 75 per cent owned and controlled in Canada. Third, it should not be produced under some licensing arrangement with another magazine.

The fourth criterion, that is, that the contents must not be substantially the same as those of a foreign periodical, has not been as clearly understood and has needed clarification. I think it is fair to say that estimates of the required degree of difference ran from 50 per cent to over 80 per cent, and we have heard as high as 100 per cent. It had been the intention of my predecessor in office to announce the interpretation to be given those words at the committee stage. However, because the effective date in the bill was January 1, 1976, I felt it was more appropriate to make my decision, and to make it known, as soon as possible so that publishers and advertisers would be aware of their tax positions and have an opportunity to rearrange their affairs accordingly.

In deciding the interpretation to be given to the words "not substantially the same", there were several criteria to be followed. First and foremost, the government's intention was clear: there were to be no special privileges or exemptions under section 19(1) of the Income Tax Act. I

should point out at this point that such a position was a recommendation of two federal inquiries, the Royal Commission on Publications, which has been called the O'Leary Commission, and the special Senate Committee on the Mass Media. The thrust of both inquiries was that exemptions granted to foreign publications under income tax legislation should be repealed to ensure the survival of a healthy indigenous periodical industry.

To give effect to the government's intention, it was obvious that a specific position had to be determined. Secondly, the provision relating to "substantially the same" was enacted in 1965 so that Canadian publications would not have undue competition for advertisers from "split runs" or "dressed up" versions of foreign publications. The requirements with respect to ownership and control by Canadian citizens, that is, 75 per cent, and the preclusion of licensing agreements, made it obvious that a great measure of independence would be expected from a truly Canadian periodical.

With this in mind I issued a press release on October 23 to announce that, in order to be considered not substantially the same as one or more issues of one or more foreign periodicals, more than 80 per cent of the contents of a Canadian periodical must be material which has not appeared in any current or prior issue of foreign publications with which the Canadian periodical has any type of continuing arrangement for access to material.

There has been some criticism of the procedure because this is, after all, an interpretation. Quite frankly I would have preferred an amendment to the Income Tax Act to specify unequivocally that the words "not substantially the same" be defined by regulation as meaning 80 per cent different. However, this would require a new notice of ways and means motion, and such an amendment would not be feasible at this time.

I have met personally with Mr. Paul Zimmerman of *Reader's Digest* and his counsel, and also with Mr. LaRue of *Time* Canada and his counsel, together with a counsel from one of the intended purchasers, indicating that my announcement, like thousands of others we are called upon to make, was an interpretation. However, because it had the backing of the government and my cabinet colleagues, if a challenge were successfully made it would be incumbent upon the government to proceed under a new notice of ways and means motion to define the meaning of the words, to restore the government's intention.

This has been the subject of some criticism and I would like to comment briefly upon it. First, such an amendment would not be retroactive. If an advertiser successfully challenged our interpretation in the court, that advertiser would be permitted the business deduction. My announcement about legislation that would follow a successful challenge was made as a courtesy to those who might see fit to launch an action and spend a considerable amount of money—only to find that down the road the policy's intent would be restored by legislation. This procedure of subsequently amending legislation is not unprecedented.

Usually when parliament passes legislation it announces the intention of that legislation, and what it is proposed to do. Sometimes that legislation is challenged, loopholes are discovered, or court decisions are rendered that are different from the original intent of parliament. When this happens, future legislation is passed to plug the loopholes, or to give effect to the original intention. I submit there are many precedents for the introduction of such an amendment to ensure that policy intent is achieved.

In June, 1972, for example, the Department of National Revenue issued an interpretation bulletin relating to government grants to industry. In May, 1974, this interpretation was challenged before the courts, which decided in favour of the taxpayer. Because the court's interpretation of this pertinent section of the Income Tax Act did not reflect government policy, an amendment was proposed by ways and means motion in the November 18, 1974, budget. A sub-section was subsequently enacted, with effect from November 18, 1974, but not retroactive, nor is that the intention here.

In my view, public awareness of the government's intended publications policy is important, and I felt I would have been remiss in my responsibilities and been unfair to the publishing firms in question, and to their advertisers, if I had left any room for doubt that we might accept a figure less than 80 per cent. I therefore opted for letting the publishing industry and the advertisers know well in advance precisely what the government's intention was.

The reference to "continuing arrangement" in the press release is vital to the understanding of our interpretation of "substantially the same"—the written law is given much greater flexibility by its inclusion—yet it is an important point that is often missed.

Because the interpretation specifies material "acquired through a continuing arrangement" an issue of a Canadian magazine may consist of even 100 per cent "spot" articles taken from foreign periodicals and still be considered Canadian, if those articles are not obtained through a "continuing arrangement"; that is, an arrangement by which a periodical has an on-going right for availability of general material.

In the case of a digest, Mr. Speaker, the definition of continuing arrangement will not refer to that arrangement which a periodical may have with a middle party to obtain material. The purpose of the legislation is not to preclude the possibility of a digest—which, by definition, reproduces most if not all of its material existing in Canada, but rather to ensure that the editorial choice and condensation, if necessary, of that material are done in Canada.

If a continuing arrangement must be made through a second party to have access to third party material, it would not be the purpose of the law to thwart that access but to ensure that that material is chosen and edited in Canada. The ruling remains the same. We are saying that "middle party access" used to obtain third party material will not be regarded as a continuing arrangement. This technique will allow a Canadian digest access to original material.

Before I close, Mr. Speaker, I would like to comment briefly on the recent editorial in *Time* magazine entitled "Freedom and Fairness". This is such a distortion of the truth and such a misleading representation of the facts that it simply cannot go unanswered.

I take strong issue with the suggestion that my department or my predecessor misled *Time*. The former minister indicated in early discussions with *Time* editors that a content decision had not been made—that this would have to be referred to cabinet. He assured *Time* editors that this would not be less than 50 per cent, but at no time did he suggest that it would be 50 per cent.

The only public declaration made by the former minister with regard to content was that somewhere between 60 per cent and 80 per cent would have to be different content to qualify for the definition of "Canadian". The memo referred to in the *Time* editorial was part of a draft memo, never sent and never signed. It had been prepared with regard to format. No particular attention was being given at that time to the question of content. *Time* lawyers and editors know this as well as anyone and have twisted the words ripped from an unsent, unsigned memo to suit their own purposes. This is misrepresentation of the worst order.

● (2110)

In fact declaring that the government's policy requires that more than 80 per cent of the contents of a Canadian periodical must be material which has not appeared in any current or prior issues of foreign publications with which the Canadian periodical may have any type of continuing arrangement for access to material, allows more, not less freedom to periodicals. Articles do not have to have Canadian subjects, nor be written by Canadian authors. Canadian magazines will have access to a variety of foreign sources and still qualify as a Canadian magazine, as long as there is no continuing arrangement with the source for more than 20 per cent of their material.

The 80 per cent content ruling does not abridge, check or change the free flow of any information. Foreign magazines should and will continue to appear on all newsstand—but alongside their issues will be stronger and better Canadian periodicals which will be benefiting from a redirection of Canadian advertising support. This is the intent of Bill C-58.

Some hon. Members: Hear, hear!

Mr. Cullen: Madam Speaker, for several months there has been a demand for a definite decision on what is meant in the Income Tax Act by "substantially different". I have publicized that decision, and pointed out government policy, as a courtesy, and in fairness to those interested or affected.

This interpretation was arrived at through much careful consideration of the interests involved. It was arrived at, as I have just demonstrated, by weighing many factors and by listening to the opinions of parties both for and against. It is a clear, responsible, and necessary interpretation which I have come to believe must be made if this bill is going to achieve its purpose, that of ensuring that Canadian publishing is in a position to grow and to compete with foreign magazines both within and beyond its borders.

Hon. Robert L. Stanfield (Leader of the Opposition): Madam Speaker, I simply wish to direct the attention of the House to one point. Quite frankly I alluded to it this afternoon.

[Mr. Cullen.]

I rise tonight because I find the attitude of the government completely shocking. I am not speaking now about the policy of 80 per cent difference or any policy. I am referring rather to the fact that the parliament of Canada has passed a statute which, like other statutes, would normally be interpreted by the courts in case of any dispute. We are now being asked to adopt an amendment to that statute, and we are being told simultaneously by the Minister of National Revenue (Mr. Cullen) what "substantially different" means. I want to know what there is in any statute and any tradition in this country that gives a minister of the Crown the right to determine authoritatively, and without reference to the courts, what the words of acts of parliament mean. Who gave the Minister of National Revenue the authority to determine what "substantially different" means? It is a complete usurpation of the position of our courts in this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: I find it completely revolting that the government should take an existing statute, introduce an amendment, and then say how that statute passed some ten years ago will in fact be interpreted, regardless of what a court may say as to what "substantially different" means. Courts are not to be allowed to determine whether "substantially different" means 80 per cent different.

The minister referred to a ruling he has given arising out of conversations with representatives of *Reader's Digest* about the importance of the existence or the lack of a continuing arrangement. Is that in a statute? Is there anything in our statutes about continuing arrangements? Is there anything in the statutes passed by this parliament, or which we are asked to pass, which relates continuing arrangements or the absence of them to "substantially different"? I ask that question.

There is nothing in the statute which we are asked to pass which gives the Minister of National Revenue, or indeed the governor in council, the authority to say that the absence of a continuing arrangement as he defined it is significant or determinant for this purpose.

I rise at this time, as I say, not in connection with the policy at all but to express my distate for and indeed disgust with the approach of the government which in effect removes the whole question of interpretation of the statutes from the courts. I would like some member of the government to set my mind at rest or to point out to me if I am wrong in this respect.

I say it is a complete subversion of our whole judicial system. I do not see how the government and its supporters can ask this parliament to endorse a proposal or an approach which takes away from the courts the interpretation of statutes already passed by this legislature and substitutes the Minister of National Revenue as the Supreme Court of Canada in this respect, without the slightest authorization by parliament.

The minister says that he is trying to be helpful by telling publishers and others how the statute will in fact be interpreted by the department. I suggest to the minister that neither he nor his colleagues have that kind of an authority, and if I am wrong, if I misunderstood the situation, I would like to be corrected. It seems to me that the government, in an entirely arbitrary way, is assuming the

right to interpret in a manner beyond appeal what the words of parliament mean, and that is something that I am not prepared to accept, quite apart from any question of policy.

Some hon. Members: Hear, hear!

Mr. Norman A. Cafik (Ontario): Mr. Speaker,—

An hon. Member: Is he the government?

Mr. Cafik: —I really want to talk about motion No. 3 which is before the House, but in light of the intervention by the Leader of the Opposition (Mr. Stanfield)—

Mr. Stanfield: And by the minister.

Mr. Cafik: —I feel it is essential to point out that in substance I agree with a large part of the argument that the hon. member has made.

Some hon. Members: Hear, hear!

● (2120)

Mr. Cafik: It seems to me that the very essence of Bill C-58 is that the essence of it is not in the bill at all, and what really counts in this bill is that which is outside the bill, that is, the interpretation of "not substantially the same as." I must admit that this offends me to some extent as a parliamentarian because in my years as a member of this House I have constantly and consistently fought to try to minimize the effect of regulations and interpretations, although it could not always be done.

I think all hon. members readily recognize that a bill cannot always indicate every aspect which is going to be covered, but it ought to do so wherever possible, and in this particular case it is quite evident that it would have been possible to have treated that particular aspect of the bill, not now contained in the bill, in the bill itself.

Some hon. Members: Hear, hear!

Mr. Cafik: We would then have had an opportunity to know and to debate precisely what the government had in mind when this bill was introduced.

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

Mr. Cafik: Yes.

Mr. Stanfield: Would he not agree that this goes even further than the concerns he has expressed, that the bill goes beyond the question of delegating powers to make regulations? Will he not agree that the legislation which exists and the legislation we are being asked to pass make no provision for the minister or the government defining what "substantially different" means by legislation?

Mr. Cafik: I think I would disagree somewhat with the precise wording used by the Leader of the Opposition (Mr. Stanfield) in this respect. I think it would be counter productive to conclude that the government did not have some responsibility, particularly the Minister of National Revenue (Mr. Cullen), to apply some interpretation to the law.

Non-Canadian Publications

The fact is that this provision for "not substantially the same as" is part of the existing law. I have no quarrel with the minister giving that an interpretation. My quarrel is on a different basis altogether. I would have preferred, and I think the Minister of National Revenue has already indicated that he also would have preferred, to see that particular interpretation embodied within the law. However, unfortunately, if I understand his previous remarks, he would have preferred to move in that direction but was given advice that it would have required a new ways and means motion. Be that as it may, it does not in any way alter the substantive points.

An hon. Member: Bring in a new motion.

Mr. Cafik: Don't debate with me. I am not on the minister's side on this particular point.

Some hon. Members: Hear, hear!

Mr. Cafik: However, I am not prepared to use a stick to beat a dead horse. If the minister is right, I see no reason not to defend him, and where he is wrong I see no reason to defend him either.

In any event, as I pointed out at the beginning, aside from wanting to make a brief comment with respect to the comments of the Leader of the Opposition, I really want to deal more substantively, but briefly, with motion No. 3, which has been brought forward by the hon. member for Timmins (Mr. Roy). This amendment would provide an exemption for periodicals which deal with scientific or medical subjects. In that respect I must say that on June 4, 1975, in the second reading debate on this bill I raised for the first time the question of *Modern Medicine, MD of Canada,* and some possible other publications in that caterogy. At that time I indicated that I felt it was unacceptable that we prepared legislation in such a way that it would prohibit our people in the medical field from having access to whatever information may be available form elsewhere in the world.

It can be argued that these magazines can be published in the United States, printed there, forwarded into Canada and our medical people could have access to those journals, and I agree that that is a valid argument. Nonetheless, we should bear in mind that the stated purpose of this bill—and there may be a difference between what is stated and what is perceived to be the purpose—is to assist Canadian publishing concerns, and to that I largely subscribe. I think most of us, if not all of us, would like to see a healthy publishing industry in Canada, so we do not disagree with that. However, with respect to this motion I should like to raise one point.

How indeed are we going to help the publishing industry in Canada by effectively prohibiting under previous conditions the right to publish *Md of Canada* or *Modern Medicine* in Canada? Do they have competitors in Canada to which the advertising would be diverted? To my knowledge, the answer is no. Are we really suggesting that those who advertise in publications do so on a willy nilly basis?

With regard to trade magazines, those who publish in them are really looking for a particular target audience, and in the case of these medical magazines it is unthinkable that those who advertise in them will divert those

advertisements to *Maclean's* magazine or to any other magazine which does not reach with the same target audience. Therefore, to contend that we have made an amount of advertising revenue available to Canadian publications by wiping out these particular magazines to my mind is just fiction and an excuse. In my judgment that is just not so.

Some hon. Members: Hear, hear!

Mr. Cafik: Therefore, if we want to assist the magazine industry in this country substantially, it seems to me that we must deal with two aspects; first, attack the dumping problem. If there is editorial material coming into Canada at a price to the Canadian publisher or subsidiary of a foreign publisher in Canada at a cheaper rate than they could generate it themselves, we should deal with that kind of question in ordinary, traditional ways through our dumping legislation, and that appears to be the appropriate way to deal with that aspect of the question.

Second, if we really want to help the magazine industry in Canada, we need more advertising dollars directed into periodical publications as opposed to other advertising media. When we consider this side of the coin, it is quite evident that Canada has one of the lowest rates of advertising per advertising dollar in the publication industry in the world. Less than half our advertising dollars are diverted to the magazine industry in comparison with the United States. We are so far below that which occurs in Europe that it is almost beyond description.

For instance, I understand that in Italy something over 50 per cent of every advertising dollar goes to the periodical industry. In Germany, France, and England there are very large percentages compared with that of Canada which, I believe, is in the neighbourhood of 2.8 per cent.

If we really think that we ought to protect, expand and to give reason for new Canadian magazines to come into the field, perhaps we ought to consider this matter altogether differently, and we ought to indicate to advertisers that if they want a tax advantage from advertising in Canada, they should divert at least 5 per cent of their advertising dollars into the periodical industry. By doing so we would have twice the advertising revenue and many more Canadian magazines. That would be a very constructive approach to assisting the magazine industry. The present approach, particularly as it relates to this amendment, is not productive in terms of helping anybody in the magazine industry. It will simply adversely affect two medical journals which provide information to our doctors and professionals in this country. I frankly, am prepared to vote in favour of the amendment put forward by the hon. member for Timmins.

● (2130)

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I rise to support the hon. member for Timmins (Mr. Roy) and what he had to say, as well as the hon. member for Ontario (Mr. Cafik) who, in my view, put the situation in its proper light.

As we know, the Canadian population today has reached about 22½ million people. We also know that medical science extends around the world. Experimental work is being done in China, in Great Britain, in France, in Germany, in the United States, South America—all over the world. The Canadian magazines in the medical field that the hon. member for Ontario mentioned, *Modern Medicine* and *M.D. of Canada*, come in free to the medical profession, bringing the latest scientific data gathered from all over the world.

I think it would be the height of folly to build a wall and say that we have all the scientific expertise we need in this country. We know what would happen to the exchange of ideas in the medical field then. Just to give an example, the Mayo clinic is doing research work on dissolving gallstones. A Canadian firm and others are also working in this field. When the research is complete it will be available to medical periodicals all over the world, not only for the benefit of the United States but that of the world at large. If there is humanity in this parliament how can we deny this information to countries that are ill-equipped and cannot afford the research?

Only a few years ago Great Britain was the medical centre of the world, but the centre has now shifted to the United States. We are doing a lot of valuable research work in Canada because of our connections and communications through journals and other ways with the United States. In the field of aeronautical science we are learning about the reaction of the human body in the medical end of that speciality and this knowledge is made available to the world through the magazines that I have mentioned. Knowledge about operative procedures in the same field is made available as well.

It is interesting that the hon. member for Ontario said that if we want to publish magazines in Canada the first thing we must do is apply for sufficient funds or get people to advertise in these journals. That is not the case at the moment; advertisers are using other avenues. I think the figures that the hon. member for Ontario quoted are about right. The only way these magazines can go to medical doctors, researchers, and other fields in Canada without charge is if the advertising pays for it. *Modern Medicine* and *M.D. of Canada* are well put together and bring to our attention facts that are many thousands of years old that still have a bearing on the human body.

This is the most reckless piece of legislation that I know of, Mr. Speaker. It is not only reckless, it is destructive. It is not only destructive, it is trying to build a wall to keep out information that comes to us free of charge.

I know the minister is rather a nice fellow but I cannot understand his thinking on this. He taught school himself so I cannot understand his motives. I hope he will see that this bill should be set aside for the present.

Mr. Faulkner: Mr. Speaker, would the hon. member permit a question?

Mr. Deputy Speaker: The hon. Secretary of State (Mr. Faulkner) wishes to ask a question of the hon. member for Simcoe North (Mr. Rynard).

Mr. Rynard: Certainly, Mr. Speaker.

Mr. Faulkner: Mr. Speaker, I listened with a great deal of attention to the comments of the hon. member, a member for whom I have a great deal of affection and respect. In fairness, however, no one is suggesting that we

build a wall. These medical magazines will have free circulation in Canada.

The question I put to the hon. member, and it is a question raised by the bill is this: should Canadian business be able to advertise in these magazines and use that advertising as a tax deduction? I do not think anyone is suggesting that the magazines should not circulate. I do not think anyone is suggesting there should not be a free flow of information. The question comes back to the point made by the hon. member for Sault Ste. Marie (Mr. Symes): should these magazines be assisted? That is what we are talking about.

Mr. Rynard: Mr. Speaker, I pointed out in my speech, and I think the minister must have missed it, that Canada, the United States, and other countries exchange information through their various periodicals. I would expect—and I say this with frankness—that Canada should bear its fair share of the cost.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I want to address my comments specifically to motion No. 3 standing in the name of the hon. member for Timmins (Mr. Roy), which seeks to exempt scientific and medical periodicals from the provisions of this bill.

I should also like to reply to the remarks of the hon. member for Ontario (Mr. Cafik) who, I thought, would have followed some of the testimony given in the standing committee and realized the motivation behind removing subsection 4(b) of section 19 of the Income Tax Act. I think it relates to a decision of the Federal Court of Appeal in 1972 that pointed out a loophole in the legislation that was not intended by the framers of the legislation nor by the royal commission from which the bill flowed. In order to inform the hon. member for Timmins and the hon. member for Ontario, I should like to relate some of that background and testimony. It will then become clear why the section will be repealed.

● (2140)

Section 19(4)(b) of the Income Tax Act exempted foreign publications from the tax effects of section 19 applying to any publication the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion. The members of the Royal Commission on Publications were clear in their intent: These foreign "little," or cultural magazines would not, I repeat, would not be carriers of Canadian advertising to Canadian audiences.

As we know, the royal commission recommended that the deduction from income tax by a taxpayer of expenditures incurred for advertising directed at the Canadian market in a foreign periodical wherever printed should be disallowed. The commission, in its conclusion and summary said that the foregoing recommendations I just mentioned would prevent the diversion of Canadian advertising expenditures from Canadian periodicals. They strike at split runs, regional editions, "Canadian" sections, "Canadian" editions, and other techniques of diversion which exist now or may be developed in future. They do not bear upon any Canadian periodicals and do not affect foreign cultural, "little," consumer or business periodicals in any way unless they are used as carriers of domestic advertising.

Non-Canadian Publications

I should mention a court case concerning JayKay Publications, which publishes a medical magazine. I will not dwell on the history of the appeal. What happened was as follows: The judge in the first instance interpreted very narrowly the question of content, but the appellate court did not look at what the judge below had considered, and looked at the total workings of the magazine. The decision of the Federal Court of Appeal in 1972 meant that the courts were to interpret subsection (4) as including foreign publications used as carriers of domestic advertising. In effect it means that a loophole has been opened affecting the narrow area of educational, medical or scientific magazines.

As the law now stands as a result of the decision of the Court of Appeal, any foreign publication that can be judged to have scholarly content seems to be in the position of becoming a Canadian periodical, and any Canadian periodical that can be judged to have scholarly content could therefore be purchased by foreign interests, without subsection (1) of section 19 coming into force. This means, then, that a number of Canadian scholarly magazines in fields of medicine, history, arts, science and so on can be bought out, or foreign publications could set up equivalent magazines, under the guise of their being scholarly or scientific magazines, and these foreign publications would not be barred from using the Income Tax Act and allowing their advertisers to deduct the expenses of advertising.

The testimony we heard in committee from Canadian scholarly magazines, scientific journals, and so on, and from the Canadian Periodical Publishers' Association was to the effect that if this loophole is not plugged, which is what Bill C-58 attempts to do, Canadian magazines, especially Canadian medical publications, cannot survive the assault of this potentially new low-cost competition. Therefore I suggest it is important that this House reject motion No. 3, proposed by the hon. member for Timmins (Mr. Roy). The amendment would, if passed, open the floodgates for foreign magazines, which could qualify as scholarly or scientific publications in those narrow areas and escape the advertising prohibition provisions of the Income Tax Act.

I remind hon. members who are concerned in case this bill would somehow be a form of censorship that rejection of the amendment will not stop those magazines from crossing the Canadian border and being distributed to the scientific or medical community. Their members will still have access to those magazines. Certainly, if this bill is passed, it will protect scientific and scholarly journals of Canadian origin against unfair competition from magazines which could qualify under the loophole created by the decision in 1972 of the Federal Court of Appeal.

Let us remember that the United States has enacted much more stringent regulations concerning the publishing of scientific journals and the allowing of Canadian scientific or medical journals to penetrate the United States market. That may be a form of censorship or, at least, protection under American copyright legislation.

At present no foreign periodicals are denied entry to this country. Remember, this bill will not prevent them from doing so. At present Canadian scholarly publications are liable to be subject to a form of censorship, or they are

denied entry to the United States by American law. Let me explain.

Unlike Canada, where our borders are open to foreign publications, the United States, through its manufacturing clause in the Copyright Act, effectively prevents Canadian journals containing articles by United States citizens from selling more than a limited number of copies in the United States without threatening the American citizen's copyright protection. The Americans do not call this censorship; they call it protecting their printing trade.

However, a Canadian publisher wishing to produce a scholarly journal concerned, for example, with medicine or economics, and to sell it to a North American market, has only two choices: to limit the size of his sale to the United States market, or to scrap the idea of including writings by American writers. No similar restriction exists in Canada, nor would Bill C-58 create such restriction.

We are in this position: the Americans, by their law, have effectively put up more barriers to the free flow of information than we have in Canada at present, or will have even after Bill C-58 passes.

For the sake of consistency, and in order to heed the intent of the royal commission, I suggest that it is important for us to reject the amendment proposed by the hon. member for Timmins. We should pass parts of the bill relating to subsection (4) and pertaining to scholarly journals as they stand. Otherwise the federal court decision which I mentioned will have opened a loophole whereby many Canadian scholarly magazines can be bought by Americans or foreign publications, and these foreign publications would then qualify for advertising advantages that were not intented for such scholarly magazines.

● (2150)

Also, if we do not pass the bill as is, many Canadian scholarly publications will face continued severe and unfair competition from certain magazines such as *MD* and others which have been able to exist through the qualifying provisions of Section 19 of the Income Tax Act. I say it is important that we do not follow or agree with the reasoning of the hon. member for Timmins or of the hon. member for Ontario.

The other point that is important and that we should turn our attention to is motion No. 2. This amendment seeks to reduce the 80 per cent substantially different clause to 50 per cent. We heard in testimony from many Canadian publishers that this would in effect destroy the intent of the legislation to promote and sustain a healthy Canadian periodical industry.

One of the great advantages that magazines like *Time* and *Reader's Digest* have that Canadian magazines do not is that those magazines can get editorial material much more cheaply from their parent companies than any competing Canadian magazine. In addition to getting that content cheaply, up until now they have been able to qualify for benefits under the Income Tax Act, or their advertisers could qualify for such benefits. This has allowed *Time* and *Reader's Digest* to capture over 50 per cent of magazine advertising revenue in this country.

If we are to agree to this amendment and reduce the substantially different aspect from 80 per cent to 50 per

[Mr. Symes.]

cent, this will mean that magazines like *Time* and *Reader's Digest* will be able to continue to lift half of their content from parent companies outside Canada while retaining their favourable status under the Income Tax Act.

It is obvious what they will do. The 50 per cent content they can get from the parent will be the most expensive content that they will acquire. It will be the material that is before colour work, feature articles, that kind of material that Canadian companies would have severe financial difficulty trying to duplicate. They will be able to get cut-rate costs. The royal commission documented that it costs *Time* and *Reader's Digest* as little as 5 per cent of the original cost of production for these materials. It cost Canadian publications 5 per cent of the cost borne by the parent. That is a totally unfair competition for most Canadian magazines trying to work up the same material.

We accepted the opportunity of protecting Canadian industry against unfair foreign competition. I think the same principle should apply here. To reduce that content regulation would mean a windfall for these subsidiaries to get the most expensive materials at cut rates from their parent companies. It would negate the whole intent of the bill. Therefore I do not see how we can support that amendment standing in the name of the hon member for Fundy-Royal (Mr. Fairweather).

I am still a bit worried about the statement of the Minister of National Revenue as to the accommodation reached with *Reader's Digest* on the content regulation, 80 per cent not substantially the same as the parent. As I understood him, he said there could be a continuing arrangement by the *Digest* with the second party in order to have access to third party sources. I would like further clarification of this. I wonder whether it does not open up a loophole for *Time Canada* as well in terms of the fact that *Time Canada* could buy original materials from *Time* correspondents scattered throughout the world that are in fact being subsidized by *Time* in the United States.

If *Time Canada* could buy that material at a reduced rate, or that material which is surplus to the actual material appearing in the American edition of *Time*, it would in effect be continuing a kind of relationship almost approaching a licensing, but different enough that these magazines could qualify as Canadian magazines for advertising income tax purposes.

If that kind of loophole exists for the *Reader's Digest*, and more particularly for *Time*, it pulls the rug out from under the intent of the legislation which is that these magazines, by virtue of their symbiotic relationship with the parent company, are not truly Canadian magazines. I want to look at *Hansard* tomorrow and examine very closely what the Minister of National Revenue said so that I can be very clear. Perhaps when the Secretary of State (Mr. Faulkner) rises, he can further elaborate on that situation.

To conclude, we in the New Democratic Party cannot support motions Nos. 2 and 3 for the reasons I have outlined.

Mr. Abbott: Mr. Speaker, may I call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, I rise on a point of order to ask the government House leader if he would clarify the situation—

Mr. Deputy Speaker: Order, please. There is some technical difficulty. The microphone in front of the hon. member is not working at this time.

Mr. MacLean: Mr. Speaker, I simply ask the government house leader to clarify the situation so that all members will have it clear in their mind as to what business the government proposes to present tomorrow.

Mr. Sharp: Mr. Speaker, it is the intention of the government to continue with Bill C-58 until the report stage has been disposed of.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—PARIS ECONOMIC CONFERENCE—POSSIBILITY OF CANADA BEING CO-CHAIRMAN—CANADIAN POSITION AT CONFERENCE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question dates from December 8 last when I asked the Secretary of State for External Affairs (Mr. MacEachen) whether he would put forward the ideas on trade and monetary reform to close the gap between the rich and the poor in the world, which he would be introducing at the conference on economic equality, otherwise known as the North-South Conference which was held in Paris which brought together the industrialized and the poor nations, the first real effort at bargaining on the issues which divide the rich and the poor countries. The minister replied at that time that he was then working out preliminary policy attitudes which would require elaboration as the work progressed.

Since that question was asked and the answer was given, the minister did, in fact, go to that conference in Paris, bringing honour to Canada in his role as co-chairman of the conference, and I wish to congratulate the honourable gentleman for the role he continues to play.

The conference went on into the middle of December and it was reconvened last week for two days to work out details for the work of four commissions. Canada has been appointed to two of them, namely, the commissions on energy and development.

Upon coming back to the House last week I asked the minister to give a report on the North-South Conference. The minister said he would be bringing some news of the conference before the House, perhaps this week, together with some of his own views. In his answer today he backed

away from any commitment to bring into the House in the immediate future a report on Canada's participation in the conference, the most important conference on international life which has been held since the seventh special session of the U.N. General Assembly in September. More to the point, he backed away from his undertaking to bring before the House the policy positions to be adopted by the commissions on energy and development.

I must point out with great reluctance that the minister does not seem to be cognizant of the need to bring into a higher public profile in our country what Canada is doing in the whole application of the new international economic order with which the North-South Conference has been grappling.

While the minister was travelling overseas, I was travelling a bit myself. I went across Canada for ten days in January with two other members of parliament, the hon. member for Sherbrooke (Mr. Pelletier) and the hon. member for Greenwood (Mr. Brewin). The three of us, in a non-partisan way, sought to explain to the Canadian people why there ought to be a greater degree of Canadian participation at both government and private levels in Canada's international development program.

As we were explaining this need to the Canadian people we were constantly asked the question: what is Canada's position? Madam Speaker, the Canadian people do not know that a major shift has taken place in Canadian policy which has now been codified in the Canadian five-year strategy called Strategy for International Development Co-operation, 1975-1980. That document is not even known across Canada. That is tied in with my point tonight.

It is imperative this House be told the concrete proposals Canada is bringing before international fora at the present time—what we intend to do at the Law of the Sea Conference, what we propose to do at UNCTAD IV in Nairobi in May, as well as our continuing effort in the North-South Conference.

While all this has been going on the Canadian people are under the impression that our effort in international development is concentrated upon aid, and are not yet aware of the structural changes or the multi-dimensional policy which the five-year strategy really introduces. In the five-year strategy a commitment is made which implies a concentration of our aid upon the least developed countries, the countries now known as the fourth world, identified by the World Bank, and Canada has pledged under point 18 of that strategy to concentrate our aid on those least developed countries, about 35 in number, containing one billion people. What do we find, though?

While the minister is overseas he pledges $1 million dollars to Egypt for the rebuilding of the war-battered Suez Canal zone. Today, although he was not as cognizant of the details as we might have expected, the minister confirmed the latest announcement by CIDA of the $25 million loan in concessional terms for mutually agreed projects to Indonesia. We do not know anything about this project at all.

My point in bringing this up now in connection with the North-South Conference is that Canadian aid is going to Indonesia and to Egypt, countries which do not qualify as the least developed countries under the figures of the

World Bank. The figures offered by the minister today show that Egypt's net per capita is income under $100, not quite in conformity with the World Bank figure which is $240. However, deplorable as that figure is, it still leaves the Canadian people in some confusion as to where our aid is going. Is it to go to the least developed countries, or are we going to continue to give aid for political purposes, whether of not those political purposes relate to our foreign policy, or is it for purposes of our trade position with Indonesia, which seems to underlie the new $25 million arrangement?

I take exception to a press release fron CIDA which attemps to explain why aid is going to Egypt, without giving any of the details. I urge the Secretary of State for External Affairs to bring into this House the full program of Canada's participation in international development so that we can begin to understand, with the Canadian people, some of these details, allowing us to continue our responsibilities.

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would first like to apologize to my colleagues in this House tonight for my unpleasant voice due to laryngitis. I should also like to thank the hon. member for Edmonton-Strathcona (Mr. Roche) for his congratulations on the role played by the Secretary of State for External Affairs (Mr. MacEachen) as co-chairman of the Conference on International Economic Co-Operation.

This conference has had two meetings now, as reported on by the minister not later than this afternoon in the House. I should like to clarify one thing that has been said in respect of the minister's statement as having been a "backing away", according to the hon. member for Edmonton-Strathcona, from his previous intention of informing the House and making a complete report on the conference in Paris.

In fact what was approved by the two chairmen, the hon. Mr. MacEachen and Manuel Perez Guerrero, of Venezuela, and the other 25 colleagues of the other countries, of which 19 are developing countries, was a timetable for meetings and a general setting of guidelines, not of policies, for the meeting of the four commissions which are to start their work on February 11.

As we know now, we are members of the energy and development commissions. We shall, of course, also be engaged in the dialogue in areas covered by the two other commissions, namely, raw materials and finance. I think it is rather easy to understand at this point in time the general strategy to be followed by the 27 members of the conference. It is to act as a team that should respect the rules of work. The 19 developing countries have indicated topics which they wish to discuss in each of the commissions. Now that this has been done we shall be indicating how we think the commissions should be working.

For instance, we have started urging the adoption of a pragmatic dialogue to avoid confrontation, and we are at this point in time urging more than what the group has been doing as a working team. It is rather interesting and difficult to launch a working team which will have to create a network of relationships and a good, positive working atmosphere in setting up the most difficult distinction between aid and trade. My colleague gave the impression of mixing the two as interchangeable, which I suggest they are not.

● (2210)

I do not think anyone can settle the international economic order in a few weeks. Our senior public servants reached Paris recently and are working full time on the development of the policies.

THE CANADIAN ECONOMY—ALLEGEDLY CONFLICTING VIEWS OF MINISTERS ON ECONOMIC POLICY—REQUEST FOR CLARIFICATION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, it is most interesting to note that the Minister of National Defence (Mr. Richardson) is here this evening. I hope he is here to answer my observations personally this evening and is not here simply as an observer.

Over the past few weeks there has been considerable concern over the Prime Minister's (Mr. Trudeau) remarks on the Canadian economy. The majority of Canadians are upset, to say the least. Toronto Liberal Leaders have expressed their concern about the Prime Minister's way of fighting inflation. The former minister, the hon. member for Windsor West (Mr. Gray), has requested that the Prime Minister call a Liberal caucus meeting to explain his remarks about long-term economic controls.

The president of the Canadian Chamber of Commerce does not agree with the Prime Minister's remarks that the free enterprise system is not working and that we should have more government intervention. The last thing we need in this country is more government intervention.

Canada is the most over-governed country in the world both municipally, provincially, and federally. What we need is less government. The Liberal government is responsible for our economic chaos and high inflation through its uncontrolled spending which has increased 151 per cent since 1968.

Labor and unions have no faith in the government or the Anti-Inflation Board. They are organizing official protests to say they will refuse to co-operate with the government. We now have the Minister of National Defence (Mr. Richardson) clearly repudiating the Prime Minister's controversial analysis of Canada's economic system. He says he is opposed to big government and big labour. How on earth can he stay in a Liberal cabinet when he feels this way? I see him smile. He should resign immediately. The minister made the above remarks in Winnipeg recently and distributed copies of his speech to the press in Ottawa. The acting Prime Minister stated in the House last Friday that the Minister of National Defence spoke without a text in Winnipeg. This is not true, as the speech was distributed.

There is no doubt in my mind that, under the Liberals, Canada is in for permanent controls. The Anti-Inflation Board rules and regulations are becoming so complicated and involved that a huge bureaucracy will be needed to compile all the paper work that the detailed Anti-Inflation Board forms will generate. Business is already complaining of the additional workload in its accounting systems now

that it must provide information for the Anti-Inflation Board. This in itself will add to our inflation problems.

There has never been so much confusion and concern in Canada over how we are being governed. The Prime Minister has told Canadians the choice is theirs, and he also stated he welcomes the debate about the future of Canada which the government's actions and his words have stimulated. He further stated that we are living in a new economic era. I certainly agree that the Prime Minister's remarks have stimulated debate, and if the choice of a new economic era is to be left up to Canadians then an election should be called. There could be no better time, say in May or June, as the official opposition will have a new leader in less than three weeks and this would give Canadians an opportunity to decide between Progressive Conservative policies and the Liberals' new society of more government intervention. Also, the Prime Minister claims parliament is not working well, so at this time both major parties could explain to the electorate how they would make parliament work better.

The government was not given a mandate on July 8, 1974, to introduce a three-year or permanent government control scheme. As the Liberals stated, inflation was a world-wide phenomenon and nothing could be done about it, nor was any mention made of a new economic era being introduced.

Also, when there is a split in the cabinet, and the Minister of National Defence states in his Winnipeg speech that his economic views run counter to those of the Prime Minister's, and when a former cabinet minister, the member for Windsor West, states:

> that the Prime Minister's remarks have been taken by some to mean that the government is planning drastic changes in the free enterprise system and a pervasive new system of government regulations—

then I have some uneasiness about what the Prime Minister's remarks could mean. The former minister further stated:

> If major changes are in store, the Prime Minister has an obligation to explain them to caucus and to the public.

This is enough in itself to warrant an election.

I also believe, Mr. Speaker, that the majority of Canadians would welcome a complete explanation from all parties as to the direction in which they would lead Canada if in power. I am also sure there would be very little objection to an election being called this spring, and under the present circumstances it would be best for the country. The parties could also explain their priorities at this time and we could have a dialogue with the Canadian public, labour, and business, as to their choice of priorities.

In closing, Mr. Speaker, the Minister of Public Works' (Mr. Drury) speech in Winnipeg last week on consumer buying requires clarification almost as badly as the Prime Minister's post-Christmas broadcast did. The Minister of public Works' speech also conflicts with the position now taken by the Minister of Finance (Mr. Macdonald). His speech is also reminiscent of the disastrous Liberal policies of 1969 and 1970, of which he was a leading exponent.

Also, an election is needed so the Liberals can be more specific in their definitions of restraint and its approaches to the whole question of consumer demand. When a Liberal cabinet minister states that high consumer buying is harmful to Canada and is inflationary, then it is time we hit the campaign trail, Mr. Speaker.

When we read the headlines in newspapers across the country we find "Minister on Collision Course with PM". Another headline reads "PM is Scaring People, Mayor Says". Another reads "PM Urged to Explain". Another one reads "Government Blamed for Inflation". Another one reads "Trudeau's Way of Fighting Inflation Worries Toronto Liberal Leaders". Another one reads "Trudeau Scheme Absolute". Another reads "Insanity". Another reads "Mr. Trudeau Is Wrong On Economy—It Is Government Out Of Joint". Another one reads "Destroy Trudeau—Carr". He is a labour leader. These are great comments coming from Canadians about our Prime Minister. Another reads "100,000 Cubans Cheer PM;. Castro's Welcome Top Level". Another reads "Could Trudeau Pull a Ghandi?" Another refers to Trudeau as Mr. Hitler.

If we are going to be faced with these sorts of things, I can see no better time to call an election in Canada. Another headline reads "Bankers Gloomy Over Canada's Long Term Prospects".

Mr. Deputy Speaker: Order, please.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I am very pleased to hear that my hon. friend from Winnipeg South Centre is continuing to read my speeches and to study them.

Some hon. Members: Hear, hear!

Mr. Richardson: I am glad also that he has seen fit to draw attention to the fact that I was speaking in Winnipeg. This was at a B'nai B'rith dinner when I was pleased to receive their International Citizenship Award. I expressed a number of thoughts on that occasion, on national defence, our relationship with Israel and peacekeeping, and I also talked about free enterprise. At that time I did not say anything about free enterprise that I have not said on a number of previous occasions. In fact some of my sentiments stated at that time I expressed even before I was in public life.

To remind the hon. member of what I did say, the essence of what I said was:

● (2220)

> It has not been free enterprise that has failed. It has been just the opposite. It has been all Canadians, working through the free enterprise system that has given Canada its high standard of living, and a way of life that in many respects is the envy of the world.

Some hon. Members: Hear, Hear!

Mr. Richardson: I might say that the hon. member for Winnipeg South Centre (Mr. McKenzie) suggests that I used a text. That is not correct. I did not speak from a text. Perhaps he has not heard of recording. My speech was recorded. It was later transcribed, and what was transcribed was later distributed. If the hon. member is not aware of that mechanism, perhaps he should learn that these techniques are now available.

Mr. McKenzie: A very moot point.

Mr. Richardson: However, on this occasion I did not have reason to mention the Prime Minister (Mr. Trudeau), and I did not have reason to quote anything he had said, but in view of the relationship between what I have said and what the hon. member suggests the Prime Minister has said, I should like to draw his attention to words the Prime Minister used as recently as last month here in Ottawa, and I quote:

> There is no desire on the part of the government or the people of Canada to impose more regulation on the truly competitive sectors of the economy. . . .
>
> The preservation and strengthening of the free market sector of our economy is absolutely central to the Liberal view of the Canada of the future . . .

Some hon. Members: Hear, hear!

Mr. Richardson: I simply say to those who are trying to suggest that there is a conflict between what I have said and what the Prime Minister has said, that those are the words of the Prime Minister which I just read. They reflect my views, and they reflect what I said in my speech in Winnipeg.

CONSUMER AFFAIRS—TRANSFER OF FOOD STOCKS FROM LOBLAWS TO ZIGGY'S—SUGGESTED INVESTIGATION OF JUSTIFICATION FOR PRICE INCREASE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, on November 7, 1975, I brought to the attention of the Minister of Finance (Mr. Macdonald) the fact that Loblaws Pickering Farms in Toronto had closed and reopened on October 18, after the announcement of the Prime Minister (Mr. Trudeau) of his anti-inflation policy, under the name of Ziggy's, which is also a Loblaws operation but with significantly higher prices.

The matter was referred to the Anti-Inflation Board by the minister, and last week that board made known its findings. The Anti-Inflation Board in its statement said, among other things, and I quote: "The decision of Loblaws was part of their ongoing marketing strategy".

It is no surprise that the board makes these kinds of decisions regarding prices. Board member Beryl Plumptre made it clear where she stood when she said:

> The board will have to show restraint with companies and their profits. After all, we need profits to provide jobs and investment for more growth and more jobs.

Board chairman Jean-Luc Pepin also made it pretty clear where the board stands on prices, and he is quoted as saying the following:

> Only by the end of the year, after we're able to study the big companies' profit reports will we be able to say that we've had an effect on prices here or touched something there. These guidelines on prices are much more difficult to put into use than the ones on wages.

That is what he said, again stating the obvious. Mr. Pepin accused the reporters of wanting instant coffee in terms of results on price controls. Obviously he was talking about instant coffee from Ziggy's, which now costs 20 per cent more.

In bringing down the Ziggy's decision Mr. John Hague, the director of the Anti-Inflation Board's prices and profits branch, said the decision was made to allow Loblaws to change its name to Ziggy's and raise its prices because the

increases were the result of normal business practices and decisions taken prior to the implementation of the program. No doubt it took Mr. Hague's group a very long time, since November 7 until last week, to come up with that excuse. I mean, here is an excuse that not only lets these Weston-owned stores off the hook and allows them to raise prices as much as they want, but they set a terrific precedent for other businesses. I will bet that executives across this country are still scrounging through their files looking for memos talking about price rises dated before October 14.

It looks as if any price increases in this country will be getting red carpet treatment from the government and its flunkies on the Anti-Inflation Board. I am confident enough in this country's corporations to be sure that, no matter how excessive and unreasonable their price increases are, they will be able to come up with a memo dated before October 14 to back them up.

I notice that these sorts of regulations do not apply to unions, however. Loblaws decides to change its name to Ziggy's before October 14 so they can raise their prices as much as they want. But unions which had their contracts expire before that date and which were negotiating with employers have no such luck.

Say the two parties to the negotiation have agreed to negotiate. They have agreed to come to an agreement satisfactory to both of them. regardless of how much that is. Surely, using the logic of Ziggy's, anyone whose contract expired before October 14 should be able to bargain without the interference of the Anti-Inflation Board. But it does not work that way. You can only pull that kind of a stunt if you own a multi-million dollar corporation.

The board is not even content just to roll back wages, its only real function. Instead it feels compelled to jump in on the side of employers in every collective dispute it sees. And Jean-Luc Pepin in not content just to be the government's pet crocodile, snapping at the wages of workers whenever he can; he now sometimes even feels compelled to mouth the Liberal party line as well. He apologized to the Conservative Party leader for some of his partisan remarks, but it is clear he has in no way changed his mind.

The government made it clear what this program is all about through the Anti-Inflation Board's announcement on Ziggy's. It might as well have erected billboards telling the corporations, "Help yourselves—no price interference here!"

In fact the only price freezes we have seen around here have been ones the supermarkets put on themselves. Those, the *Globe and Mail* discovered, included prices which were frozen higher than they should have been in the first place.

There is only one good thing which can be said about the Anti-Inflation Board's Ziggy's decision, and that is it is decisions like these which indicate that the board might be committing suicide. It is decisions like these which show the people of Canada what a hypocritical farce and fraud are being perpetrated on them.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the Anti-Inflation Board has carried out an investigation of a report that a Loblaws Pickering Farms store located at

Yorkville Avenue and Yonge Street in downtown Toronto closed on October 18, 1975, and re-opened two weeks later as Ziggy's, a specialty chain owned by Loblaws, with higher prices.

The board's investigation disclosed no evidence that indicated the change in question was in any way an attempt on the part of Loblaws to circumvent the anti-inflation guidelines. It was determined that Loblaws was in the process of rationalizing supermarket operations by closing down unprofitable stores. During the past four years, 110 supermarkets were closed. On October 18, 1975, the Loblaws store located at 852 Yonge Street, in Toronto, closed down and re-opened on October 30, 1975, as a Ziggy's operation, a wholly-owned subsidiary of Loblaws Ltd. The Ziggy's store in question operates as a specialty delicatessen store and carries, in addition to the regular Ziggy's product line, certain convenience products similar to Beckers, Mac's Milk, etc. Certain of these convenience products are common to both Ziggy's and Loblaws, and initially some prices were higher at Ziggy's. After public outcry, prices were immediately rolled back by Ziggy's. Therefore the decision to close the Loblaws store and to open as a Ziggy's outlet would not appear to contravene the guidelines.

The characteristics of Ziggy's are sufficiently different from that of a supermarket in that it offers specialty merchandise, uses special equipment, and renders a personal service that a special pricing policy would seem justified. However, the so-called convenience products, such as bread, milk, eggs, sugar, coffee, salt, etc., offered for the shopper's convenience only, and which do not fall under Ziggy's normal pricing policy, in the judgment of the board, should be priced in accordance with Loblaws' pricing methods. To this end the board has told Loblaws that the maximum price to be charged for these so-called convenience products at Ziggy's should not be priced higher than these same goods at Loblaws supermarkets. Loblaws have agreed to abide by this decision of the Anti-Inflation Board.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Wednesday, February 4, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

PROPOSAL TO AVOID REDUCTION IN PRODUCTION OF HEAVY OIL—MOTION UNDER S.O. 43

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43. I am compelled to do this by the extremely grave threat to Canada's heavy oil production caused in part by the export quota system which has lead to a dramatic fall in demand. Already over 500 of the Lloydminster producing wells have been shut down and due to the unique characteristics of the Lloyminster field, these wells may never again attain full production when restarted. I therefore, move, seconded by the hon. member for Peace River (Mr. Baldwin):

That although this House acknowledges the efforts of the National Energy Board to deal with the situation, this House regrets that the measures will not become effective until March or April, 1976, thus forcing the closure of many more oil wells in the Lloydminster area causing severe disruption of the economy and the subsequent loss to Canada of vital oil resources, and directs the Minister of Energy, Mines and Resources to make new initiatives, possibly entailing either the further reduction of the export tax on heavy oil or the exemption of heavy oil from the quota system.

Mr. Speaker: Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

PROPOSED COMMISSION OF INQUIRY INTO EFFECT ON HEALTH OF URANIUM MINING—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a matter of urgent and pressing necessity arising out of press reports of continuing government inaction with respect to the cleaning up of radioactive contamination in Port Hope, Ontario, and with respect to the prevention of further similar threats to public health.

I therefore move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That this House instruct the government to appoint immediately a commission under the Inquiries Act to look into and report on all aspects of the mining and processing of uranium in Canada with respect to the direct and indirect effects that such activities have on the health and safety of Canadians.

Mr. Speaker: Pursuant to Standing Order 43 such a motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL DEFENCE

CONDITIONS UNDER WHICH ARMED FORCES GIVE ASSISTANCE IN EMERGENCIES—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion on an important issue of pressing necessity.

Considering that thousands of families have been deprived of electricity and essential services as the result of a violent storm on February 2 and 3, 1976, I move, seconded by the hon. member for Champlain (Mr. Matte) and, under the circumstances, by the hon. member for Rimouski (Mr. Allard):

That this House asks the government and the Minister of National Defence (Mr. Richardson) to tell the Canadian people what assistance is available from the armed forces in stricken areas in such circumstances and the means to be used to obtain such assistance, if necessary and in due time.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

● (1410)

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY GENERAL OF NORTH ATLANTIC TREATY ORGANIZATION

Mr. Speaker: Before proceeding with the oral question period I know all hon. members would want to join with me in calling attention to the presence in our gallery of a very distinguished visitor and to make him welcome during his all too brief stay. I refer, of course, to the very

distinguished Secretary General of the North Atlantic Treaty Organization, Dr. Joseph Luns.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

VENEZUELA—DISCUSSION DURING PRIME MINISTER'S VISIT CONCERNING PURCHASE OF OIL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister about the Latin connection.

Some hon. Members: Hear, hear!

Mr. Stanfield: Arising out of the statement in the House on January 9, 1974 by the then minister of energy, mines and resources that with regard to Venezuela we were making clear Canada's interest in the continued assurance of supply from that country and the possibility of an accord, et cetera, I should like to ask the Prime Minister whether he discussed this long term accord with respect to the security of supply of oil from Venezuela during his visit.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, only in the sense that I indicated in my answer, I believe to the Leader of the New Democratic Party, yesterday. There was no precise accord exchange of quantities or figures. As I think I indicated yesterday the Venezuelans now are interested in an assurance that we would not lower the general magnitude of our liftings because of the nationalization that they proceeded with, and I could give them that assurance. On our side, we were interested in making sure that they were going to consider Canada as a market to which they would be continuing to export without any political conditions put on their exports. So, in this very general sense, the subject was discussed.

Mr. Stanfield: That particular Latin connection seems to be a little loose. May I take it, then, that the Government of Canada is no longer pursuing the policy outlined by the then minister of energy, mines and resources? I wish to ask the Prime Minister whether he sought, and if so whether he received, any assurance from the president of Venezuela that Venezuela will continue to offer to Canada the present volume, or even an increase in volume, of oil which is now coming to Canada.

Mr. Trudeau: If I can use an appropriate metaphor, the shoe is on the other foot. Venezuela at this time is interested in making sure that Canada takes all the oil it wants to export, and therefore the kind of preoccupation suggested by the Leader of the Opposition is not at all appropriate.

Some hon. Members: Hear, hear!

Mr. Stanfield: I am referring to a preoccupation of the government which existed back in 1974, and in view of the fact that an increase in percentage of crude petroleum coming into eastern Canada, upon which eastern Canada is dependent, is now coming from parts of the world which can hardly be considered stable, I ask the Prime Minister whether it is the view of the government that the shoe is really on the other foot; that it is up to Venezuela to worry about selling oil to Canada; that Canada, particularly eastern Canada, can feel quite secure about the supply of oil and that the worries the then minister of energy, mines and resources had following the crisis or the near crisis of a year or two ago have been completely forgotten by the present Prime Minister and the present Minister of Energy, Mines and Resources.

Mr. Trudeau: No, Mr. Speaker, that has not been forgotten, but I am sure the Leader of the Opposition is in a position to realize that questions of supply sometimes predominate and questions of demand sometimes predominate. At the present time Venezuela is more concerned with demand for their oil than we happen to be about supply. That does not mean that at a different time in world events the situation will not be different and the shoe will not be on the other foot. That is why, in general, it was very important to make sure that our relations at the political and commercial level with Venezuela remain very good. At this time they are, in a sense, perhaps asking us for something of a favour but a couple of years ago we were asking them for a favour. This is the meaning of the Latin connection, Mr. Speaker, that we help each other and this is the kind of relationship we have established with Venezuela.

Mr. Stanfield: One final supplementary, Mr. Speaker. In view of the importance of even this government looking more than a year or two ahead and if the Prime Minister found that the government of Venezuela was anxious to encourage sales to Canada, would this not have been an excellent time for the government of Canada to have achieved an increase in the security of supply of oil for the Atlantic provinces, Quebec and the eastern part of Canada?

Mr. Trudeau: Well, it would, Mr. Speaker; in the very general sense I have admitted it would. The Leader of the Opposition will, of course, realize that the kind of question asked by the Leader of the New Democratic Party is also relevant, here, however. We want to make sure that, given the particular quality of that particular source of oil, we will be paying the right price and there was no need at this time to embark on any specific bargain. Of course, I repeat, that Petro-Canada is going to be sending a delegation there to examine this question and perhaps to embark upon some bargaining. I must remind the Leader of the Opposition, however, that in Venezuelan terms they do not have an eternal supply of conventional oil. They are thinking in terms of ten or perhaps 15 years and they are asking us for support in the exploitation of the Orinoco tar sands; they are talking exchange of technology with us.

In these various senses our relations are good and will continue to intensify, but we should not think that a guarantee against all future eventualities. Venezuela has a secure supply of oil. The time is limited, Mr. Speaker.

Mr. Stanfield: That is right.

VENEZUELA—DISCUSSIONS DURING PRIME MINISTER'S VISIT CONCERNING CONSTRUCTION OF STEEL COMPLEX

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is also for the Prime Minister. In view of the recent announcement by the government of Venezuela that they are planning a $3½ billion outlay for a new steel complex to produce five million metric tons of steel annually and in light of Canada's massive trade deficit with Venezuela, was Canadian participation in the building of the steel complex discussed with President Perez? There is no direct mention of this in the communiqué.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, this and other forms of Canadian investment were discussed. The accent at this time was more on transportation because in this month of February there is a very big possibility outstanding for Canadians. Perhaps in the communiqué therefore we thought to put emphasis more on certain short-run or immediate projects but several long-term investment possibilities, such as the one the hon. gentleman referred to, were raised in the meetings.

Mr. Kempling: A supplementary question. Could the Prime Minister tell the House if arrangements were made for future talks on this subject and if the Department of Industry, Trade and Commerce will lead a delegation or make arrangements for talks with Canadian producers and the government of Venezuela on this matter? It is a large complex of $3½ billion and we should have a part of the action.

● (1420)

Mr. Trudeau: Mr. Speaker, I agree with the hon. member completely and I agree with him in his acceptance of my view of the new society, where the government is very important in aiding the private sector.

Mr. Lambert (Edmonton West): That is super baloney!

* * *

ENERGY

ALLEGED ARSENIC AND RADIUM CONTAMINATION OF LAKE ONTARIO AT PORT HOPE BY ELDORADO—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, when speaking of the future new society, the Prime Minister mentioned that one of his areas of concern was the control of pollution. With specific reference to that subject, may I direct a question to the Minister of Energy, Mines and Resources? Since an Atomic Energy Control Board study of last July reported that, when taken together, arsenic and radium contamination dumped from an Eldorado nuclear disposal area into Lake Ontario in the Port Hope region is above acceptable levels, and since this contamination is still being dumped into the lake in that region, why has the government, given its expressed concern about pollution, particularly dangerous pollution, not yet acted to stop this?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think the hon. gentleman has fallen into the trap some hon. members fall into when they read sensational news stories. He has made certain assumptions which do not hold up under examination. There is no dumping of arsenic and radium waste into Lake Ontario. There is a run-off, which is what we are talking about only, a casual, very small run-off.

Some hon. Members: Oh, oh!

Mr. Baldwin: Explain.

Mr. Stanfield: The minister is running off, too.

Mr. Speaker: Order, please. The minister has the floor.

Mr. Gillespie: Mr. Speaker, may I conclude by saying that this is a run-off in very minute concentrations. I have been assured that there is no hazard to public health as a result of this.

Mr. Hees: The minister is running off from the mouth.

DATE OF REPORT ON SITES OF RADIOACTIVE WASTE DUMPS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I suspect the minister might be running off. May I ask a supplementary question? Given the serious concern of the minister of health of the province of Ontario, I ask the minister who has said that investigative proceedings are under way into the dumping processes at Port Hope and other sites, when can we expect a report, in the House or outside, on the work being done by those investigating this situation?

Mr. Baldwin: In 1996.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, here again we see an example of a certain kind of thing, about which I am concerned. The hon. member is confusing a lot of separate issues so far as the town of Port Hope is concerned. A moment ago he asked me a question about dumping. Actually, that was a run-off from an old residue disposal area. The next moment the hon. member talks about radioactivity. That is as I understood his question of a moment ago. It is completely unrelated to his earlier statement. Let me make it clear that I am going to present to the House a list of the various areas in the province of Ontario which were affected. I will include in that, of course, the town of Port Hope. After consultation with the minister of health of Ontario I hope to be able to make public as well a list of the various locations within the town of Port Hope. I think the hon. member will agree that it is important for those affected to receive the information first and not to read it in the newspaper.

PROPOSED COMMISSION TO STUDY HEALTH AND SAFETY ASPECTS OF USE OF NUCLEAR ENERGY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I ask a final supplementary question? As both situations to which the minister alludes involve radioactive substances which are the prime cause of both situations—hence the expressed concern I am voicing in my question, a concern expressed by people outside this House—may I ask

the minister this question: in view of the government of Canada's decision to expand in the years ahead the number of nuclear power sites in Canada and the related concern, for example, of three scientists in the United States who resigned from a General Electric project because they felt it was a dangerous development in this field, would the minister commit his department to establish an independent commission which would look into all the health and safety aspects of our continued expansion in the nuclear field?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I do not rule out an inquiry at some time if it can be demonstrated to me that one might serve a useful purpose. I think it is quite clear at the present time that there has not been sufficient evidence of abuse to show that such an inquiry would serve any useful purpose at the present time. I have indicated to the hon. member and the House that we will do everything we can to deal with this situation which occurred some 20 years ago, and which had to do with the knocking down of an old building and not with the refining process at all.

Mr. Broadbent: That's absurd.

Mr. Gillespie: It was rubble from an old building. The purpose of this particular operation right now at Port Hope is to identify where that radioactivity might be and clean it up just as quickly as we can.

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[Translation]

NATIONAL DEFENCE

CONDITIONS UNDER WHICH ARMED FORCES GIVE ASSISTANCE IN EMERGENCIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to put a question to the Minister of National Defence.

Since I have been caught, like thousands of other drivers and families, in a terrifying storm on Highway 20 in the area of Saint-Hyacinthe, Granby, etc. and thousands of families have been deprived of essential services such as electricity and related facilities needed on a daily basis, can the Minister of National Defence indicate whether, in such circumstances, his department can help the civilian population with snowmobiles, ploughs or blowers, and if so to whom should they address such a request for aid?

Mr. Speaker, I hope you are the one presiding over our assembly, my colleagues at my left should allow me to ask my question. Here in this House, there is no snow storm, there is no snow.

Mr. Speaker: Order, please. I listened very carefully to the question. Perhaps the minister might be allowed to answer it.

Mr. Lambert (Bellechasse): Mr. Speaker, my question is not finished.

It is not with jokes of this nature that the people can hope to be protected in tragic times such as those we have experienced on Monday and Tuesday.

[Mr. Broadbent.]

My question is serious, Mr. Speaker, and I want to ask the Minister of National Defence what procedures to follow when the civilian population finds itself in a tragic situation of this kind. How can people obtain any help from the army to insure protection in situations such as the one I just described?

[English]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, if the assistance required is relatively minor they could seek help by contacting the base commander. If it is of a wider nature or of more concern then they should seek assistance from the municipal authorities or, finally, from the provincial government which would in turn make a request to National Defence for assistance.

REASON FOR CONSTRUCTING NEW FACILITIES FOR LANGUAGE TRAINING AT ST. JOHNS, QUEBEC

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, in view of the fact that it is vitally necessary for the government to set an example in respect of restraint if the anti-inflation program is to succeed, will the Minister of National Defence advise the House why the government is not planning to make far greater use of present language training facilities at St. Johns, Quebec by adding, if necessary, a second shift to the educational program, thereby making it unnecessary at this time to build a brand new language training facility at the same place, to supplement the present adequate facilities, at a cost of $88 million?

● (1430)

Hon. James Richardson (Minister of National Defence): The Department of National Defence is already making full use of the language training facilities at St. Johns. In fact, they are over-extended, not only for language training but for recruit training and that is the reason for the decision to build new facilities there. They are for recruit training, the introduction of Francophone personnel into the armed forces, and also for the language training which is required.

Mr. Hees: As the minister obviously did not answer my question about the introduction of a second shift, and since a second shift would relieve the pressure sufficiently to make it unnecessary to build the new facilities, is it not clear that the attitude of the government toward the restraint program is: do as we say, don't do as we do?

* * *

INCOME TAX

ENTRY OF SKY SHOPS ASSETS INTO CANADA FROM THE BAHAMAS—GOVERNMENT ACTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Minister of National Revenue. Has the hon. gentleman checked to determine under what circumstances the retained earnings or other assets of Sky Shops Limited from its Bahamian subsidiary or subsidiaries were brought into Canada and whether all of the

requirements of Canadian tax law were satisfied in this respect?

Mr. Speaker: Order, please. I am, of course, always reluctant to interfere with the right of hon. members to pose questions. There is, however, one rule we have followed, particularly in the putting of questions to ministers, namely, that ministers ought not to be asked to comment on a matter which is before the courts.

An hon. Member: This is not before the courts!

Mr. Speaker: Ordinarily that is not something which would interfere with the rights of an opposition member to ask questions. However, yesterday the hon. member for Central Nova was at pains to indicate that he had been served with a writ which he described to the House which involves an action before the courts and which affects the member personally as well as the company to which he has just alluded. I really think the hon. member ought to refrain from questions relative to that matter now.

Some hon. Members: Oh!

Some hon. Members: Hear, hear!

Mr. MacKay: With respect to yourself, Mr. Speaker, I suggest it is only a very specific area involving this matter that is before the courts.

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ROYAL CANADIAN MOUNTED POLICE

DATE OF REPORT OF INVESTIGATION OF SKY SHOPS

Mr. Elmer M. MacKay (Central Nova): May I put a supplementary question to the Solicitor General? Can the Solicitor General indicate, with respect to the RCMP investigation into the so-called Sky Shops affair and the related matter of Liberal Party fund-raising practices, when we may expect to hear some results of this investigation?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I want to make it clear that there is an investigation into Sky Shops but not into the Liberal Party fund-raising process.

An hon. Member: Why not?

Mr. Allmand: The most recent information I have is that this investigation is continuing and will take some time because of the large amount of documentation involved.

Mr. MacKay: A question of privilege, Mr. Speaker. Three o'clock.

ADMINISTRATION OF JUSTICE

ALLEGED LEAK OF INFORMATION CONCERNING BILL DEALING WITH CAPITAL PUNISHMENT AND PAROLE—REQUEST FOR INVESTIGATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Solicitor General. Did the hon. gentleman authorize or knowingly acquiesce in the release of information to the media containing detailed contents of the bill with regard to capital punishment which resulted in a CBC television program last night, and also information concerning the changes in the Parole Act and the parole regulations which was publicized this morning?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, I did not. I did not see the program but I heard about it. I do not know how that information got to them.

Mr. Baldwin: In the light of the fact that capital punishment has never been a partisan issue in this House and that making such information available on a program of that kind might prejudice the debate in the House, will the minister make an investigation to ascertain how this information was so improperly released before the bill had been introduced, and take appropriate action?

Mr. Allmand: First of all, Mr. Speaker, I do not know whether all the information in that broadcast is correct. As I mentioned, I did not see the program. I am getting a transcript, however, and I will try to find out how it was leaked. I agree with the hon. member that such premature release could hurt the debate.

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HEALTH

SALE OF BLOOD BY CONNAUGHT LABORATORIES—REASON FOR FAILURE TO IMPOSE EXPORT CONTROLS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is intended for the Minister of National Health and Welfare but in his unavoidable absence I feel his parliamentary secretary should be able to answer it, because he has been given notice. In view of the critical shortage of serum albumin in 1974 and the fact that people were being entreated by the Canadian Red Cross to give blood to meet the shortage, while at the same time we were buying serum albumin from sources outside Canada, would the parliamentary secretary tell the House how the blood brokers were able to obtain blood from Connaught Laboratories to sell it abroad, and can he explain why export controls were not placed on these blood products which were being freely donated by the Canadian people? Further, has any legislation been introduced to stop this ghoulish and nefarious practice.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): The hon. member is asking, in part, for an explanation of the conduct of Connaught Laboratories. I want the House to be aware that Connaught Laboratories is not a Crown corporation.

Some hon. Members: Oh!

An hon. Member: It is owned by one.

Mr. Kaplan: It is on its way to private ownership by Canadian investors and the top management of Connaught Laboratories should be given an opportunity to defend their conduct. They were in touch with me this morning and they claim they have an excellent defence. I do not think the government should put their defence forward. As to the export of blood from Canada, I very much regret that the CBC in its story yesterday failed to point out that the government has introduced export controls on these blood products and that when these products are required for Canadian use their export will not be permitted.

Some hon. Members: Hear, hear!

Mr. Rynard: The parliamentary secretary said the government has no control over the export of these products and now he says they have passed legislation to stop it. They cannot have it both ways and I intend to follow up this matter further.

Mr. Speaker: Order, please.

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EXTERNAL AFFAIRS

VENEZUELA—POSSIBILITY OF DISCUSSING TRADE WITH CHINA DURING PRIME MINISTER'S VISIT

Hon. Alvin Hamilton (Qu'Appelle-Moose-Mountain): Mr. Speaker, my question is directed to the Prime Minister; it is, really, supplementary to the question asked earlier by the Leader of the Opposition. In view of the importance to Canada of the Latin connection, may I ask whether the Prime Minister had time in his discussions with officials in Venezuela to thank them for the amount of goods they bought from the Peoples' Republic of China which helped the Chinese people pay for Canadian wheat?

Right Hon. P. E. Trudeau (Prime Minister): I would certainly have had time to do that but I am sorry the hon. member did not put the idea in my head before I left.

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[Translation]

EXTERNAL AFFAIRS

POSSIBILITY OF CANADA JOINING ORGANIZATION OF AMERICAN STATES

Mr. Louis Duclos (Montmorency): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister.

Could the Prime Minister tell the House whether, in the course of the talks he has had with the political authorities of Mexico, Cuba and Venezuela, the matter of Canada eventually joining the Organization of American States has been raised, and if so, could he say whether, in his opinion, Canada would have advantage in joining the OAS and could make a useful contribution?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I had the opportunity to discuss this matter with the three heads of government I have met, in the hope, precisely, as the hon. member is suggesting, that the Canadian government policy might take their points of view into account. I must say that the results have been rather surprising. President Perez of Venezuela has strongly urged us to become a full member. We are now an observer. As for Prime Minister Castro, he was of course extremely negative in respect of the organization. Finally, President Echeverria seemed to be divided between the two. Then, Mr. Speaker, the question remains entire in our mind, and I have committed myself vis-à-vis President Perez to ask the Secretary of State for External Affairs to undertake a new study of the matter.

* * *

● (1440)

[English]

LABOUR CONDITIONS

GOVERNMENT EFFORTS TO AVOID STRIKE OF RAILWAY EMPLOYEES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is addressed to the Minister of Labour. In view of the fact that wage negotiations between the railway workers of Canada and the railway companies broke down last Friday because the companies are hiding behind the Anti-Inflation Board's wage guidelines to avoid bargaining in good faith, can the minister inform the House what steps he is taking at this point to get the railway companies to come out from behind the skirts of the Anti-Inflation Board and carry on proper collective bargaining?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as I announced in the House the other day—I do not know whether or not the hon. member was here—I was prepared to follow, as the unions so notified me, the stipulated courses under the labour code with respect to intervention along the lines of a single commissioner or board. I am giving the matter consideration at the moment and I hope to make an announcement very shortly.

Mr. Rodriguez: A supplementary question, Mr. Speaker. In view of the fact that the minister said that he is prepared to intervene in one of two ways, is he prepared to tell the House when we may expect to hear exactly when the commissioner will be appointed so that we can get on with the business of collective bargaining?

Mr. Munro (Hamilton East): Mr. Speaker, I am under a stipulated time limit of, I believe, 15 days and I would hope to do it before the expiration of that 15 days. Naturally, there are some discussions I should like to have with appropriate officials prior to my making the announcement.

* * *

[Translation]

NATIONAL DEFENCE

REASON FOR CONSTRUCTING LANGUAGE TRAINING FACILITIES AT ST. JOHN'S, QUEBEC

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I want to ask a question first of the Minister of National Defence and second of the President of the Treasury Board

concerning the question asked by my colleague from Prince Edward-Hastings (Mr. Hees).

Can the Minister of National Defence explain what was the priority scale he and the government have used to agree to the estimated expense of $88 million for a language training centre at St. John's, given the lack of funds for the purchase of tanks and aircraft and for the recruitment of the staff necessary for the maintenance of existing bases, and that despite the fact that there is extra space and teaching personnel at the language school in Ottawa. Could the minister tell the House what is the scale of priorities and whether that $88 million expense was affected by the famous $1.5 billion cut?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the question is directed in part to me and in part to the Minister of National Defence. The decision concerning the reconstruction of the St. John's base was taken in 1973. In fact, it was decided to rebuild not only the language school but the whole base which will be used for all French-speaking recruits while serving, at the same time, as language school for the armed forces. The project was submitted to the cabinet in 1973, and the work will start this year.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to put a supplementary to the President of the Treasury Board. Can he explain the principles which allowed the Treasury Board to authorize the department to build and expand their own language school while the government already has a very efficient civil service school with excess space and teaching staff? Could it be that each department is creating its own bureaucratic empire?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the principle involved is that which promotes the frenchifying of the Canadian armed forces, in compliance with the instructions of the House of Commons as indicated in the Official Languages Act. The base is being rebuilt. St. Jean already has a Canadian Forces language school which will be given more adequate facilities; but the language school is only part of the overall project.

* * *

[*English*]

FISHERIES

REQUEST FOR POSTPONEMENT OF RESTRICTIONS ON LICENCES FOR LOBSTER FISHING

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the minister in charge of fisheries. In view of the confusion that has arisen since the minister's announcement regarding the lobster fishery and the new regulations that he has imposed, and in view of the serious unemployment situation existing in the maritime provinces, particularly on Cape Breton Island, would the minister consider rescinding the new regulations for a period of at least one year, thus allowing those severely economically depressed to be able to continue to fish for lobster to help them make a living?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I am afraid that a lot of the confusion comes from the fact that many people, including those who write editorials, have not read the communiqué and the letter that was sent to the licence holders involved. There is also another fact. I made it very clear that I was trying to remove from the fishery those who are employed full time elsewhere. Those who are unemployed or laid off from temporary employment, or those who are part time farmers or part time lumbermen, will not be affected. If they are, they should appeal and I would expect that the committee which hears their appeal will rule in their favour. This is a policy we are using to preserve the limited stock of lobster for the bona fide, honest to goodness fisherman. I am not attacking the hon. member personally, but if members, provincial and federal, do not want me to implement this policy they should make up their minds.

Mr. Muir: A supplementary question, Mr. Speaker. I thank the minister for his reply and I appreciate his views on conservation, but would he be good enough to advise the senior fisheries officers in the regions concerned so they can explain to those concerned? Many members have contacted the minister's officials within the areas and they are not sure of what is going to take place. Even in press releases they have said that.

Mr. LeBlanc (Westmorland-Kent): Well, Mr. Speaker, I certainly believe it would be of help—this suggestion has been made and I am willing to accept it—if we met with members of parliament from the Atlantic region and discussed the matter with them. I have asked that this procedure be put into effect. I repeat that it was not an easy decision. Nevertheless, I am trying to preserve the stocks not only in terms of conservation but in terms of the income of those fishermen who depend on fishing for a living.

* * *

NATIONAL DISASTER

REQUEST FOR FORMULA TO GIVE LARGER AMOUNT OF AID TO NEW BRUNSWICK TO COMPENSATE FOR STORM DAMAGE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the right hon. Prime Minister of which I have given his office notice. Would the government consider totalling damages for the purposes of financial help for those who have suffered grave losses on three occasions during this fiscal year in southern New Brunswick? Such a formula would ensure a larger national financial contribution to a serious disaster that, of course, affects the whole country.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, following the hon. member's notice of his question my office initiated a study into this matter. We are looking into the possibility, because of the special circumstances, of providing an exception in this particular case, for which obviously we have great sympathy. I cannot give the hon. member a firm answer, but I want to tell him that we are studying the suggestion in a sympathetic way, particularly in view of the fact that this type of expenditure would not be a normally recurring one, and perhaps also because the

hon. member is not in the habit of asking for handouts; and this is a particularly meritorious case.

* * *

[*Translation*]

OLYMPIC GAMES

INQUIRY WHETHER CANADA ASKED FOR INTERPOL SERVICES TO PROVIDE SECURITY

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Solicitor General. He is not at his desk but I could put it in any case to the Prime Minister.

I would like to ask the Solicitor General, considering that two U.S. subcommittees are investigating the obscure background of Interpol and that Interpol cooperation proved inefficient at the Munich Olympic Games in 1972, to tell us whether he did anyway ask for the services of Interpol to avert any terrorist activities and maintain order during the coming Olympic Games in Montreal?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I have said several times in the House, Interpol is not an operation police agency but merely a centre of exchange for police forces in the world. It is the instrument of the national police forces and forces of different countries but has no operational capability.

* * *

● (1450)

NATIONAL DEFENCE

REQUEST FOR REPORT ON STUDY OF CLOSING OF BASES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question which is supplementary to a question of mine, one of the hon. member for Prince Edward-Hastings and one by the hon. member for Edmonton West to the Minister of National Defence. In the same article which disclosed that $88 million is to be spent on a training centre for language in Montreal the minister says there will be bases phased out. I should like to ask the minister now if that study is completed in respect of the Calgary, Edmonton and other bases which apparently are to be closed out because of the $88 million to be spent in Montreal.

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker. The study is not completed and there is no relationship between the rationalization study and the development of the recruiting and language school which as the President of the Treasury Board has said, had been in the planning and development stage for the past three or four years and which will take the next four or five years to complete.

Mr. Woolliams: Mr. Speaker, may I ask the Minister of National Defence who is making this study and why was the study called for if it is not the idea of the Department of National Defence and the minister to close out those bases?

Mr. Richardson: Mr. Speaker, the study is being undertaken by the Department of National Defence. It arose out of the statement made in the House in November at the same time I announced the other major decisions concerning National Defence. I said at that time it was necessary to reduce the National Defence overhead and to increase the amount of our operations in relation to our support services. That is where it all originated. It was announced last November and when it is completed the decisions will be announced.

* * *

EXTERNAL AFFAIRS

LEBANON—GOVERNMENT ACTION TO AID IN SETTLEMENT OF INTERNAL STRIFE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I have a question for the Secretary of State for External Affairs which is prompted by the descendants of the ancient Phoenicians who live in Canada. What kind of action is Canada taking with regard to the troubled affairs in Lebanon?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have been giving considerable attention to what role Canada should play itself or through the United Nations in the situation in Lebanon. At the present time as the hon. member knows the situation has eased in Lebanon in the direction of a political settlement and it is our expectation that this trend would continue.

* * *

INCOME TAX

POSSIBLE ACTION TO ENCOURAGE EARLY FILING OF RETURNS—LACK OF AVAILABILITY OF FORMS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of National Revenue. In view of the fact that annually the Department of National Revenue faces a crisis in terms of volume of tax returns received during the last two weeks of April, has the department taken any overt action to encourage taxpayers to file returns earlier than usual. In other words, has anything been done to minimize that peak volume in the last two weeks of April?

Hon. Jack Cullen (Minister of National Revenue): Well, Mr. Speaker, advertisements and admonitions are constantly being sent out by the department indicating to individuals who file early that if they do so they are more apt to get the refund quickly. I might say that, in respect of the returns that come in, 75 per cent of these people receive refunds.

Mr. Jarvis: Mr. Speaker, I thank the minister for his answer and appreciate his concern. I wonder if he can explain why certain and probably all district taxation offices as of yesterday do not have available for taxpayers certain essential forms necessary for the preparation of many returns among which unavailable forms are those for

claiming a corporation's investment tax credit, the disbursement certificate for the Registered Home Ownership Savings Plan and the self-employed contribution forms for the Canada Pension Plan.

Mr. Cullen: Mr. Speaker, the hon. member can bet that as a result of his question a lot of people will scurry around tomorrow.

* * *

EXTERNAL AFFAIRS

CUBA—INQUIRY IF CASTRO DISCLOSED TO PRIME MINISTER REASON FOR SENDING TROOPS TO ANGOLA

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Prime Minister. I should like to come back to these frank and brutal discussions we heard so much about. I am wondering whether they were sufficiently frank and brutal to secure from the Cuban leader some indication of why he felt it necessary to drag Cuba and the Cubans into a civil war so far from Cuba's frontiers and so far removed from Cuba's basic economic concerns.

Right Hon. P. E. Trudeau (Prime Minister): Yes, of course, Mr. Speaker; Premier Castro spent a great deal of time explaining the reasons for his participation. It might be fair to say he was also frank and brutal with me. I do not think the House would expect me to recite here the many, many reasons Premier Castro advanced. The opposition say "Why not". If they want to know what Mr. Castro thinks why do they not go and ask him.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, with all due respect I do not think that was very much of an answer. I therefore have a supplementary. I should like to ask the Prime Minister whether during these frank and brutal discussions he was able to get some explanation from the Cuban leader, in face of the fact that all of Angola's immediate neighbours, Zaire, Zambia, Botswang and South Africa are opposed to that particular intervention, why the Cuban leader should have felt it necessary to drag Cuba in on the side of the MPLA?

Mr. Trudeau: Well, Mr. Speaker, I could name several other countries of Africa which are favourable to the MPLA. As the hon. member should know the Organization for African Unity divided 50-50 on this—

Mr. Baldwin: Did you treat him as brutally as you did inflation?

Mr. Speaker: Order, please. I had some hesitancy about the question of the hon. member in that it seeks a lengthy explanation of the opinion of another country. However, I am prepared to have the Prime Minister answer it if the House is interested.

Mr. Trudeau: Well, Mr. Speaker, if I were to recite faithfully the arguments put forward by Premier Castro in defending his own position I am sure it would emerge as though I were being an apologist for his argument.

Mr. Diefenbaker: He has not got a better apologist anywhere.

Mr. Trudeau: Mr. Speaker, Premier Castro's position on Angola has been stated I believe at some length in an interview he gave the Canadian Press in Havana. I follow a rule in discussions with leaders of other countries which I expect them to follow when they are reporting on the meetings. I say what I told him. I do not expect him to give publicly all my arguments. If we are having private meetings between heads of governments, or indeed between heads of provinces and the federal government, the basic rule in these private meetings is that you quote your own position but you do not quote the other person's.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, could I ask the Prime Minister in connection with this brutal and frank encounter who wrestled whom to the ground?

Mr. Trudeau: It was a draw, Mr. Speaker.

● (1500)

Mr. MacKay: Mr. Speaker, I have a brief point of order. I beg your leave, and that of the House, to give the Solicitor General an opportunity to correct what I believe was a misleading answer. I should like to have the minister explain why, if Liberal party fund raising practices do not form part of the Sky Shops and related investigations, a warrant issued on the part of Inspector Rodney T. Stamler, whom I know to be one of the finest investigators in Canada, contains a paragraph in which it is stated:

All letters, notes, memoranda and other writing relating to the collection of money for the Liberal party of Canada by Louis Giguère between January 1, 1968, and July 31, 1975.

If, in fact, this warrant does not read correctly, or if the minister is ignorant of its contents, in either case I think he owes the House an explanation. May I also say, on a related point of order, that I feel, with great deference, that the statement of claim with respect to the civil action which we both mentioned yesterday is confined to a fairly narrow aspect of this matter, namely, pricing practices, and has no direct relation to, for example, the type of question I asked the Minister of National Revenue. To impose restrictions on a member of parliament on questions asked on such a wide subject as this, based on a fairly narrow civil case, I think is an unfair restriction on the rights and privileges of all members of the House.

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, in answer to the hon. member, let me say that he, as a lawyer, should know better than anyone else that people are often subpoenaed to appear in a case or produce documents, not because they are being investigated but because their evidence is relevant to the case.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Diefenbaker: That has cleared up the situation!

An hon. Member: He needs a lawyer.

Some hon. Members: Oh, Oh!

Mr. Speaker: Order, please. The hon. member for Central Nova raises two questions, one which is, frankly, a rejection of the response given to him by the Solicitor General, which is neither a point of order nor a question of privilege which, as he indicated, he might raise at three o'clock. The other question, however, is a matter of serious concern. It regards any restriction which might be placed on the right of an hon. member to put questions when a matter is before the courts.

I am most reluctant to intervene on that ground. However, there have been rather clearly established precedents that matters which are before the courts should not be the subject of discussion in the House. I would prefer to give the hon. member the opportunity perhaps to prepare a further argument on that point and deliver it tomorrow at this hour in order to invite, perhaps, the intervention in that discussion by any interested members of the House in order that the Chair might be guided specifically in this case.

Past cases have dealt with most of the precedents regarding criminal charges and have really confined themselves to answers given by ministers of the Crown which might have some bearing on the outcome of the criminal charges. The fact of the matter is that we have here a rather unique situation in that the hon. member who put the question is, in fact, a party to the litigation. I think that puts it in a rather difficult category, one which gives me great trouble, and I would therefore welcome tomorrow at three o'clock the intervention of any hon. member who can make a contribution on this point.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, during the question period I was allowed to put a serious question to the Minister of National Defence. That question dealt with an urgent situation that occurred at the beginning of the week, namely on February 2, in Quebec, and more particularly in the areas of Montreal, Saint-Hyacinthe, Drummond and Quebec City.

Indeed, during that violent storm thousands of families had to do without essential services like electricity, heating, water supply and so on. Furthermore, Mr. Speaker, hundreds of car drivers were also trapped on Highway 20 and regional roads. This put the lives of thousands of people in danger.

I personally witnessed that hundreds of other people stuck for hours were able to hear on station CKVL calls of distress from mothers of families who were asking for help to have either heating or water to give to their children. At that time, Mr. Speaker, the Canadian army was also being called upon because, finally, all Canadians pay to maintain thousands of people who must safeguard the rights of Canadians and come to their help in difficult times.

Well, I asked myself how it was that the Canadian army could not come in to rescue those people whose lives were in danger. That is, Mr. Speaker, my question of privilege.

Earlier I wanted through Your Honour to ask the Minister of National Defence (Mr. Richardson) what were his

powers when such situations occur and which allow the Canadian army to come to the rescue of people or families caught in excessively difficult situations.

Some of my colleagues on the government side seemed to find the intervention by the hon. member for Bellechasse funny.

Mr. Speaker, this is no joke but a tragic situation, and God save those people from needing help from people, or even the Canadian army. It is necessary to live excessively difficult times and even see one's life endangered to understand all the grandeur of the life God gave us. And when it is put in danger because of events or exceptional circumstances one must seek by all means to rescue one's neighbours to protect and safeguard them.

● (1510)

Mr. Speaker, last week I asked the Minister of National Defence (Mr. Richardson) who is now in the House, a very serious question. I asked him whether he had received a request from the Quebec government and the City of Montreal that members of Canadian forces be posted in Montreal during the Olympic Games. The minister earnestly replied that he had. In a supplementary question, I asked him what would be the cost of the Canadian army's participation in the games; he answered, as reported on page 10430 of *Hansard* that this participation would cost about $24 million.

Mr. Speaker, I wish to thank the minister for this information. If it is deemed desirable that Canadian forces be present at the Olympic Games, I wonder, on behalf of my fellow Canadians, whether when difficult situations arise, as was the case early this week in the areas I have mentioned earlier, we should not be entitled to expect that Canadian forces which are well equipped with trucks, ploughs, blowers and snowmobiles, provide Hydro-Quebec staff with assistance?

Mr. Speaker: Order, please. The hon. member started with the question of privilege, but in concluding he is discussing with the minister the action or lack of action by the Canadian armed forces, which is a completely different question. Would the hon. member end his comments?

Mr. Lambert (Bellechasse): Mr. Speaker, I think I was misunderstood. I did not want to criticize, but I wanted to ask, on behalf of my fellow citizens, what requirements Canadians caught in difficult situations, must comply with to get assistance from the Canadian army. This is my question of privilege and, in conclusion, I would say that I hope the Minister of National Defence will take all necessary means to inform the Canadian people so that, when in a difficult position, they know where to get protection from the army, which we pay for out of our own pockets. This is the substance of my question of privilege which I ask on behalf of my fellow Canadians. Particularly those from the Quebec City area.

[*English*]

Mr. Richardson: Mr. Speaker, in brief reply to the question of privilege I would like to say, first of all, that we do not consider the subject raised by the hon. member as humorous; it is a serious matter. I would like to think that the armed forces played every reasonable part they could

in being of assistance. In my earlier reply I described the means by which the armed forces are brought into action, that is, through municipal or provincial authorities. I may be subject to correction, but I understand that during the recent storm there were requests from Quebec City, and we were of some assistance. I do not believe there was any specific request from the Montreal area. I want to look into that matter, make inquiries and find out exactly what requests did come forward and what we were able to do.

Mr. Speaker, I will mention one other point which was raised by the hon. member. He referred to the Olympic games and the work of the armed forces there. There has been some misunderstanding with regard to my reply on that subject last week. I want to make it clear that the armed forces are paying for, not only their pay and allowance and for operations, but we will also pay—and I have cleared this with Treasury Board who are responsible for negotiating with COJO—we will also pay for the out of pocket $24 million, plus whatever additional there may be above that from National Defence. We will not charge these out of pocket expenses to COJO. If that was not clear in my earlier answer, I hope it is clear now.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

PETITION TO OUTLAW USE OF INHUMANE TRAPS

Mrs. Ursula Appolloni (York South): Mr. Speaker, I have the honour to present a petition containing 1,173 signatures of students and friends of Nepean High School of the city of Ottawa to pray parliament to enact legislation outlawing the use, in all areas under its jurisdiction, of the steel leg-hold or gin trap and requiring the use of humane traps.

Some hon. Members: Hear, hear!

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,965, 3,241, 3,254, 3,322, 3,327, 3,608, 3,696 (revised), 3,722 and 3,942.

[*Text*]

CONSTRUCTION OF RECREATIONAL FACILITIES AT 24 SUSSEX DRIVE

Question No. 2,965—**Mr. Oberle:**

1. What expenditures were incurred by the Department of Public Works towards the construction of certain recreational facilities at 24 Sussex Drive?

2. What specific services were rendered in connection with these expenditures for (a) planning (b) architectural (c) designing (d) engineering (e) general and sub-contracting?

3. (a) When were these expenditures contracted (b) who authorized them (c) to what firm and/or individual were payments made (d) in what amount?

Hon. Mitchell Sharp (President of the Privy Council): According to Beauchesne, questions must not repeat in substance or with slight variations questions already answered, a situation which applies to this enquiry.

GOVERNMENT RENTALS IN MUNICIPALITY OF VANIER

Question No. 3,241—**Mr. Gauthier (Ottawa-Vanier):**

1. Are any departments, ministries or agencies presently housed in the Municipality of Vanier and, if so, which ones?

2. For each year from 1971 to date, how many public servants worked in these departments?

3. What is the (a) rented (b) government owned floor space occupied by these departments, ministries or agencies?

4. What (a) is the address (b) is the floor space (c) is the purchase or construction value (d) is the date of purchase (e) is the market value (f) are the taxes or grants in lieu of taxes paid for each property owned by the government?

5. What (a) is the floor space (b) is the duration of the lease (c) is the rent (d) are the taxes or grants in lieu of taxes paid for each property rented by the government?

Hon. C. M. Drury (Minister of Public Works): 1. Yes. The departments, ministries or agencies housed in the Municipality of Vanier are: National Health and Welfare, National Defence, Economic Council of Canada, Environment, Public Works, Manpower and Immigration, Unemployment Insurance Commission, Supply and Services, Urban Affairs, C.M.H.C., Post Office, National Museums, Statistics Canada.

2. This information is to be found in column 2 of following statement.

3. See column 3 of following statement.

4. See columns 4, 3, 5, 6, 8 and 9 of following statement.

5. See columns 3, 7, 5 and 9 of following statement.

(1) Department Ministry Agencies Housed	(2) Number of Public Servants Working 1971	1972	1973	1974	1975	(3) Floor Area Rented	Owned	(4) Address of Accommodation	(5) Value: Purchase (P) Construct.(C) Rent (R)	(6) Date of Purchase or Construction	(7) Duration of Lease	(8) Market Value 1975	(9) Are Taxes Grants For Prop. Owned (O) Rented (R) Yes/No
National Health and Welfare	268	343	384	421	452	11,594		Damphouse—Palace Street	26,086 (R)	Leased	1-12-73 to 30-11-76		No
						82,425		Tower A-333 River Road	383,859 (R)	Leased	1-6-72 to 30-9-84 *		No
						53,983		Tower A-333 River Road	244,428 (R)	Leased	1-5-72 to 31-10-86 *		No

Order Paper Questions

(1) Department Ministry Agencies Housed	(2) Number of Public Servants Working 1971	1972	1973	1974	1975	(3) Floor Area Rented	Owned	(4) Address of Accommodation	(5) Value: Purchase (P) Construct.(C) Rent (R)	(6) Date of Purchase or Construction	(7) Duration of Lease	(8) Market Value 1975	(9) Are Taxes Grants For Prop. Owned (O) Rented (R) Yes/No
National Defence (Including Armed Forces Personnel)	49	55	64	73	78	12,756		333 River Road	59,443 (R)	Leased	1-5-75 to 31-10-86 *		No
Economic Council of Canada	118	125	137	145	146	4,847		333 River Road	25,447 (R)	Leased	1-6-73 to 30-6-78 *		No
						5,879		333 River Road	27,396 (R)	Leased	1-5-72 to 30-10-86 *		No
						32,400		333 River Road	145,476 (R)	Leased	19-9-69 to 30-9-81 *		No
						670		333 River Road	2,988 (R)	Leased	1-3-72 to 28-2-81 *		No
						260		333 River Road	585 (R)	Leased	24-6-71 to 31-3-87 *		No
Environment	9	9	10	10	10	4,453		Betcherman—10 Beechwood	26,718 (R)	Leased	1-7-69 to 30-6-76		No
Public Works	4	4	5	5	13	3,058		360 Montreal Road	7,798 (R)	Leased	1-5-75 to 30-9-79 *		No
Manpower & Immigration	6	6	6	6	179	58,032		25 McArthur Road	417,830 (R)	Leased	1-4-75 to 31-3-83 *		No
						3,905		333 River Road	22,063 (R)	Leased	1-5-72 to 31-10-86 *		No
Unemployment Insurance Commission	397	409	415	418	612	1,560		320 McArthur Road	8,190 (R)	Leased	1-4-72 to 31-3-82 *		No
						80,864		333 River Road	376,831 (R)	Leased	1-5-72 to 31-10-86 *		No
						2,000		333 River Road	6,500 (R)	Leased	1-8-72 to 30-4-77		No
						2,049		333 River Road	4,610 (R)	Leased	1-4-72 to 31-3-87 *		No
Supply & Services	0	10	10	10	10	1,742		333 River Road	7,118 (R)	Leased	1-6-72 to 30-09-84 *		No
Urban Affairs	109	201	201	190	190	13,956		333 River Road	62,315 (R)	Leased	1-6-72 to 30-09-84 *		No
Central Mortgage & Housing Corporation	0	0	0	0	80	14,508		25 McArthur Road	104,457 (R)	Leased	1-4-75 to 1-4-83 *		No
Post Office	55	63	67	77	83		7,169	250 Durocher Street	325,450 (C)	1969		412,000	Yes—grants
National Museums	17	36	45	53	48	19,735		39 McArthur Road	75,210 (R)	Leased	1-8-70 to 31-7-84 *		No
Statistics Canada	352	352	352	87	87	17,362		333 River Road	77,434 (R)	Leased	1-11-71 to 31-10-86 *		No
							38,834	140 Jeanne Mance Street	430,000 (P)	1969 (P)		761,600	

*Expiry dates include options.

NOTARIES RETAINED TO PROCESS NHA MORTGAGES

Question No. 3,254—**Mr. Rondeau:**

1. Does Central Mortgage and Housing Corporation hire notaries and, if so, how many in each province and constituency?

2. (a) How many notaries in the Constituencies of Shefford and Brome-Missisquoi handle loans for CMHC (b) what are their names?

3. In the past five years (a) how many cases have been consigned to each (b) how much money has been spent by the Corporation through each notary?

4. What was the average delay between the time the notary was instructed and the time the loan was awarded?

[Mr. Drury.]

5. For each year 1970 to date, what fees were paid by CMHC to each notary in the Constituency of Shefford?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation: 1. Notaries are retained to process mortgage documentation for loans approved by CMHC under the NHA in the Province of Quebec. The number of such notaries is determined by the volume of lending activity.

2. (a) and (b), and 3. (a) and (b) See Table 1 following.

TABLE 1.
NOTARIES RETAINED TO HANDLE MORTGAGE DOCUMENTATION FOR LOANS MADE UNDER THE NHA BY CMHC
MUNICIPAL COUNTIES OF BROME, MISSISQUOI AND SHEFFORD
1972-1974

Notary	Number of Loans	Amount $000
Beaudry and Dion, Cowansville	3	58.2
Raymond Boily, Cowansville	11	214.1
Gilles Dupuis, Waterloo	1	600
P.-A. Giguère, Valcourt	4	76.1
Jean Jutras, Granby	2	32.7
Armand Marier, Windsor	2	34.4
J.-P. Matton, Granby	43	796.0
Noiseux and Trudel, Granby	15	256.7

NOTE: The basic geographical units for compilation of CMHC data are the municipality and municipal county, and not Federal electoral constituencies.

4. The formal advice to the borrower of the approval of the loan includes the notary's name and address and, at the same time, the notary is advised of this action.

5. The fees arising from these transactions are paid by the borrower and, therefore, CMHC does not have any record of them.

SWIMMING POOL AT 24 SUSSEX STREET

Question No. 3,322—**Mr. Cossitt:**

With reference to the answer to Question No. 1,233 that the swimming pool and related facilities at the official residence of the Prime Minister at 24 Sussex Drive, were designed by an architect of the Department of Public Works (a) what is the name of the architect and his employment record in government service (b) how many hours of work did he spend on the project (c) what is his annual salary (d) what was the cost to the Department of all work, in any way connected with the construction of the swimming pool (e) what are the names of all other employees of the Department, other than the architect, involved with the construction of the swimming pool including their job designations and annual salaries?

Hon. Mitchell Sharp (President of the Privy Council): According to Beauchesne, questions must not repeat in substance or with slight variations questions already answered, a situation which applies to this enquiry. Moreover, it is not in the tradition of a non-political public service to disclose names of officials who perform tasks in the course of their public duty.

SWIMMING POOL AT 24 SUSSEX DRIVE

Question No. 3,327—**Mr. Cossitt:**

With reference to the answer to Question No. 1,233 that Herbert Brune Construction of Ottawa was engaged by the trustee for the donors to install a swimming pool at the Prime Minister's official residence at 24 Sussex Drive (a) is the government aware of the amount of the contract and, if so, what is the amount (b) what are the names of all those in the Department of Public Works or any other department that supervised or inspected on-site construction including their (i) job designation (ii) hours spent on the job (iii) annual salaries (c) what was the total cost to the taxpayer of such supervision, inspection, etc.?

Hon. Mitchell Sharp (President of the Privy Council): According to Beauchesne, questions must not repeat in substance or with slight variations questions already answered, a situation which applies to this enquiry.

MR. AND MRS. PSARSKI

Question No. 3,608—**Mr. Cossitt:**

1. Did Ziggy and Joanna Psarski enter Canada in September 1972 and, if so, were they granted landed immigrant status?

2. Did Mrs. Psarski return to Poland in June 1973 on the death of her father and, if so, to the knowledge of the Department of External Affairs, has she been refused an exit visa from Poland?

3. (a) Did the Secretary of State for External Affairs make a personal appeal to the President of Poland on behalf of Mrs. Psarski (b) has an answer been received to indicate the attitude of the Polish Government on this matter and, if not, does the Minister have any indication as to when an answer may be expected?

4. Will the Department continue to make all possible efforts on behalf of Mrs. Psarski to obtain permission from the Polish Government for her to rejoin her husband in Canada?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Manpower and Immigration and the Secretary of State for External Affairs as follows: 1. Zbigniew and Joanna Psarski were granted landed immigrant status in Canada on February 15, 1973, the date they entered Canada.

2. Yes.

3. (a) No. The Secretary of State for External Affairs referred to the case in his discussions with the Polish Foreign Minister. (b) Yes. The Polish authorities have indicated that the case would be looked at in an objective manner.

4. Yes.

GOLDFARB CONSULTANTS

Question No. 3,696—**Mr. Howie:** (Revised)

From January 1, 1974 to December 1, 1975, what contracts were entered into with Goldfarb Consultants Limited by (a) the Department of Transport (b) the Department of Regional Economic Expansion (c) the Department of National Defence (d) the Department of Public Works (e) the Department of Supply and Services (f) the Department of Manpower and Immigration (g) Air Canada and, in each case, what was (i) the purpose of the contract (ii) the amount of the contract?

Hon. Mitchell Sharp (President of the Privy Council): (a) None. (b) (i) (a) To undertake a survey of awareness and attitudes towards the activities in the Atlantic Provinces of the Federal government, and particularly the Department of Regional Economic Expansion; (b) To conduct a cross-Canada survey, by region of awareness and attitudes towards the federal government and, in particular, the Department of Regional Economic Expansion. (ii) (a) $22,000; (b) $24,000. (c) None. (d) None. (e) None. (f) (i) To provide data for a study of Canadian attitudes towards work; (ii) $74,500. (g) None.

CBC—COST OF PROGRAMME "AS IT HAPPENS"

Question No. 3,722—**Mr. Cossitt:**

What has been the total cost of CBC programme "As It Happens", for the past three full years for which figures are available (a) what is the present annual remuneration received by (i) Barbara Frum (ii) Allan Maitland (b) what are the total salaries paid to all others involved with the programme including producers, etc. (c) have any persons inter-

viewed on the programme in the past three years been extended payment or an honourarium for their appearances and, if so (i) what are their names (ii) what was the amount in each case (d) what has been the telephone bill for the programme?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: (a) and (b) It has not been customary to require the CBC to provide such information as the costs of programs or the fees and salaries paid to participants and staff members. The background of this custom is explained in detail in the reply to Question No. 2,530, May 22, 1975. (c) Yes. The program makes payments to professional journalists and performers, and occasionally to some specialists. (i) and (ii) The above reference to Question No. 2,530 also applies in this case. (d) See the reply to parts (a) and (b) above.

CLOSING OF CUSTOMS OFFICES

Question No. 3,942—**Mr. Allard:**

Have any customs offices been closed during 1975-76 and, if so (a) how many (b) in what locations?

Hon. Jack Cullen (Minister of National Revenue): Yes (a) 18; (b) Annapolis Royal, N.S., Barrington Passage, N.S., Glace Bay, N.S., Lockeport, N.S., Pictou, N.S., Weymouth, N.S., Wolfville, N.S., Dunnville, Ont., Napanee, Ont., Beaconsfield, N.B., Fairhaven, N.B., Lord's Cove, N.B., Mars Hill Road, N.B., Sackville, N.B., Seal Cove, N.B., Mont-Joli, Que., Chemainus, B.C., Carcross, Yuk.

[*English*]

Mr. Beatty: Mr. Speaker, last November 17 I rose to express my concern about an answer which had been given to me in the House with respect to question No. 3,081 which I had on the order paper and which had been dropped by the government. I spoke on November 17 and on November 19 Your Honour ruled that the question would be reinstated and it was reinstated as question No. 3,577. That question has been on the order paper now for some months, and it had been on for some months before it was dropped.

At the time it was dropped, the Minister of Supply and Services indicated to me that an answer would be forthcoming within a couple of weeks. I raised the matter again on December 5 to bring it to the attention of the parliamentary secretary, but as yet there has been no answer. I rise today simply to bring once again, to the attention of the parliamentary secretary and Your Honour the fact that this question has been on the order paper for some months. I would be very grateful to have an early answer.

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MOTIONS FOR PAPERS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions be allowed to stand.

[Mr. Cossitt.]

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Tuesday, February 3, consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Speaker: Order, please. Before continuing the discussion on motions 2 and 3 which are before the House at the present time, I thought this might be a convenient time to invite intervention on the proposed procedural argument respecting motions 7, 8 and 9, endeavour to dispose of that discussion and then return to the discussion of motions 2 and 3.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I will be brief in my representations on motions 7, 8 and 9. Basically, I submit that the motions are out of order because they are not relevant to clause 3 which they seek to amend. Clause 3 of Bill C-58 is really a transitional provision. The purpose of Bill C-58 is well known to the House. It is a bill to remove a certain tax advantage to Canadian advertisers who use foreign broadcasting outlets. Clause 3 provides that if an agreement was entered into between a foreign broadcaster and a Canadian advertiser prior to January 23, 1975, that agreement would abide, notwithstanding the coming into effect of this bill, as provided in clause 4, on January 1, 1976.

In addition, any agreement which might have been entered into after January 23, 1975, but for the duration of a year or less and without the power of renewing that agreement, would also stand, notwithstanding the provisions of clause 4 of this bill. Therefore, it is basically a grandfather clause, a transitional clause, in order to prevent prejudice being created vis-à-vis broadcasters who prior to the introduction of this bill in the House for first reading, or at any time prior to the passage thereof, had entered into an agreement of short duration.

● (1520)

The amendments proposed in motions 7, 8 and 9 are the same in spirit. They seek to offer potential advertisers the right to deduct their costs of advertising if they advertise with a broadcaster who has entered into an agreement, which agreement would serve to obviate the effects of Bill C-58.

Motion No. 7 provides that if there is an agreement entered into between the broadcaster, the advertiser and the CRTC, with the approval of the Minister of National Revenue, whereby certain funds would be made available generally to Canadian broadcasting outlets and Canadian television producers in order to enhance the Canadian content and quality of broadcasting, such agreement could be contemplated as obviating the effects of Bill C-58.

Motions 8 and 9 have the same effect. They seek, by way of agreement, to permit a broadcaster to solicit Canadian

advertising, offering the advantages to those advertisers of being able to deduct those expenditures by entering into certain arrangements advantageous to Canadian broadcasting.

My position and the position of the government is that these particular motions are out of order because they introduce a completely new concept into clause 3, which does not at all contemplate anything except a transitional provision. It is true that clause 3 speaks of agreements and that the amendments in motions 7, 8 and 9 also speak of agreements. The type and nature of the agreements is completely different, however. On the one hand, clause 3 speaks of an agreement to protect dealings that have already taken place of a very limited and transitional scope, whereas motions 7, 8 and 9 deal with agreements that tend to obviate the effects of Bill C-58 and are, therefore, completely strange and foreign to the concept of clause 3.

I suggest, therefore, that the three motions Nos. 7, 8 and 9 ought not to be dealt with as they are irrelevant to the principle of the bill and the principle of clause 3.

Mr. Speaker: Order, please. I note that the hon. member in whose name the motion stands seeks to intervene in the argument, that the hon. member for Winnipeg North Centre (Mr. Knowles) seeks to intervene and, as well, the hon. member for Edmonton West (Mr. Lambert).

Mr. Lambert (Edmonton West): If necessary.

Mr. Speaker: As is sometimes said, it might not be necessary to hear further discussion. I do not want to restrict hon. members who wish to intervene in support of the hon. Parliamentary Secretary to the President of the Privy Council (Mr. Blais). I want to make that clear. We could take it as a general indication that if any hon. member seeks the floor in support of the hon. parliamentary secretary's argument, I shall hear from them now. On the other hand, if their intention is to support the procedural regularity of the motions put forward, I do not think it is necessary to hear them.

My view is that the bill is a bill to amend the Income Tax Act. Pursuant to the Income Tax Act as it now stands, without passage of Bill C-58 it is possible for taxpayers to advertise in foreign broadcasting undertakings and deduct those expenses from their income. The purport of Bill C-58 would be to change that and take away from those advertisers the opportunity to make those deductions from income. Whether it be that clause 3 contains an actual provision or not, the fact of the matter is the amendments put forward by the hon. member for Surrey-White Rock (Mr. Friesen) would in fact propose what seems to me to be middle ground, that is, advertisers who advertise in foreign broadcasting undertakings would be permitted to deduct from income the expenses paid for those advertisements, provided certain conditions are met. The conditions are complex and will need some explanation, but that bears on substance and their acceptability to the House by way of a vote. It does not bear, in any way that I can see, on procedural regularity.

It seems to me that the hon. member ought to be able to put that kind of motion by way of amendment to this particular clause. It would be my view that motions ought to be debated and voted upon. Therefore, I cannot accept the argument put forward by the hon. parliamentary secretary. The order called was resumption of the debate on motion No. 2. The floor was held by the hon. member for Mississauga (Mr. Abbott), but I understand the hon. member for Red Deer (Mr. Towers) seeks the floor on a point of order.

Mr. Gordon Towers (Red Deer): Mr. Speaker, am I correct that we are debating motions Nos. 2 and 3?

Mr. Speaker: We are resuming the discussion on motions Nos. 2 and 3, and the hon. member for Mississauga has the floor.

Mr. Towers: On a point of order, Mr. Speaker, according to your ruling that we should not seek the opportunity of asking a question during the question period relating to legislation before the House or a bill pertaining to such legislation, with your indulgence I should like to put a question to the government at this time. Presumably the Secretary of State (Mr. Faulkner) will accept the question and give an answer prior to the passage of motion No. 3. If it is a negative answer, I will have an amendment to present to the House.

With your permission, Mr. Speaker, I should like to ask this question now in order that the Secretary of State, or the Minister of National Revenue (Mr. Cullen) could answer it. Has the minister been approached by the Minister of Agriculture (Mr. Whelan) with regard to the adverse effect Bill C-58 would have on Canadian breeders of purebred and exotic livestock who advertise in the United States, and can the Minister of National Revenue state unequivocally that Canadian producers of purebred and exotic livestock will be permitted to deduct costs of advertising in the United States as legitimate expenses for income tax purposes in Canada?

Mr. Faulkner: Mr. Speaker, I think the answer to the question is yes, but it falls within the jurisdiction of the Minister of National Revenue (Mr. Cullen). I should like to confirm that and report to the hon. member.

Mr. Speaker: The hon. member for Mississauga (Mr. Abbott).

Mr. A. C. Abbott (Mississauga): Mr. Speaker, I want to make a brief point with respect to the speech made last night by the hon. Leader of the Opposition (Mr. Stanfield) questioning, not the substance of the bill but the propriety of the minister in seeking to interpret the words in the statute. The hon. gentleman delivered a scathing denunciation of this practice. I might even describe his language as brutally frank. He found the situation "shocking"; he found it a "complete usurpation"; he found it "completely revolting"; he was "filled with distaste"; he found it a "complete subversion of the judicial process", and thought it "entirely arbitrary". These are strong words, Mr. Speaker. The hon. gentleman whipped himself into a veritable lather of indignation about this supposed transgression on the part of the minister.

As a relative newcomer I am, frankly, surprised to find the hon. Leader of the Opposition make this statement in regard to the role of the Department of National Revenue

in giving an interpretation of the Income Tax Act. Surely he is aware that the department is called upon constantly to give such interpretations. Since 1970 the department has published over 280 interpretation bulletins performing just this function, informing the taxpayer how the department interprets the law. The public expects this service and constantly requests the department to increase this flow of information. As well, the department issues rulings to specific taxpayers on specific situations advising them how the department will assess.

● (1530)

I will not take much more of the time of the House. I repeat: the interpretation made by the minister is the same as the interpretation made by his officials on their reading of the law. If a taxpayer wishes to challenge that interpretation, he may take the matter to court and have the court interpret it.

Mr. Lambert (Edmonton West): Not in this case.

Mr. Abbott: That, clearly, is not a subversion of the law and is not a subversion of our courts. If in the normal course of appeal the courts disagree with the interpretation of the department, the government will, as it has in the past, bring vew legislation before the House by way of a motion of ways and means to correct the error. I suggest that is how the system has always worked and that is how it will work now. There is nothing new about it.

Mr. Lambert (Edmonton West): Yes, there is. This is a great deal different.

Mr. Abbott: I suggest that there is nothing different. For example, consider the interpretation handed down in 1972. It involved some government grants. That ruling, or interpretation, was challenged successfully in the courts and in November, 1974, the budget was debated and passed in parliament and legislation was enacted to support the original interpretation.

Clearly, this is no subversion of the system, as the Leader of the Opposition suggested. I suggest that the tongue-lashing he gave the government was inappropriate and unworthy of his usual wisdom in such matters.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am amazed at the moderation shown by the Leader of the Opposition (Mr. Stanfield). When I consider the words he could have used, I am amazed by the words he did use. Only because he is such a mild and reasonable man did he restrain himself to such an extent yesterday and use that kind of language. He was speaking about the shocking manifestations made evident by this government which is trying to give the mafia of the mandarins the right to make the kind of decisions which the government itself ought to make. This is ministerial discretion run wild.

Mr. Faulkner: Do you support that description? Do you subscribe to it?

Mr. Baldwin: Yes. It is the intellectual mafia of the mandarins.

Mr. Faulkner: Do you subscribe to that description of the public service?

[Mr. Abbott.]

Mr. Baldwin: Yes. Sometimes some of them leave the public service and arrive on the front benches of this unfortunate, misguided government and we see what kind of mess they can make in this country. Altogether too many of them ornament the front benches opposite.

An hon. Member: But they are very hard working.

Mr. Baldwin: Frankly, I was amazed to hear the hon. member for Mississauga (Mr. Abbott). I think he is a good member, and now that he has managed to prevent being seduced to other spheres of activity he may well have a career in this House—but only if he does not do what his superiors on the front benches are engaged in doing.

How can one consider this measure? A snake would find it hard to follow the contortions this government has gone through—to follow its twistings and turnings backward and forward. I think the Leader of the Opposition was right to take offence and to speak as he spoke yesterday. We are now set back to the position dealt with by section 19(5) of the Income Tax Act. Subparagraph (F) of subsection (a)(ii) reads in part:

—the contents of which, excluding advertisements, are substantially the same as the contents of an issue of a periodical—

The hon. member for Mississauga knows that the language is far different from the sort of language to which he referred. It is narrow language. There may be narrower interpretations which from time to time officers of the Department of National Revenue are quite properly compelled to make with regard to cases involving individual taxpayers. But in this instance the government, for its own reasons, has singled out two corporations, two publications, and has aimed its attack at them. This could well be described as an act to exclude *Time* magazine and *Reader's Digest* from Canada. That is the sole purpose of the legislation.

Shortly after his appointment, the Minister of National Revenue (Mr. Cullen) took it upon himself to say, "I, from on high, interpret that particular section to mean such and such. If the courts dare to disagree with me, I will sit as a court of appeal higher than the Supreme Court of Canada." That, precisely, is the position the minister took, and it is a shocking position for a man for whom I had a great deal of admiration—although, at times, I begin to wonder about him. My admiration is somewhat shaken.

Mr. Baker (Grenville-Carleton): It is shaken now and again.

Mr. Baldwin: As my hon. friend for Grenville-Carleton (Mr. Baker) says, it is shaken now and again. I will have to reflect upon and review my opinion of him. He may be influenced by his civil servants. That is the trouble with new ministers: they fall into the maw of the civil service and then do what they are told. We operate in this House under the adversary system, but in the House the adversaries are not the opposition and the government—not always, at any rate. The adversary structure involves hon. members and the civil service and that is the problem.

I will not be long, as there will be other opportunities when I may speak on this issue. We are seeing in this country today the ascendency of the top people in the civil service who in many cases are setting themselves up as the

sole interpreters of the law. We have seen this happen in the committee of which I have the honour to be a member, the statutory instruments committee. It has happened with regard to the interpretation of various statutory instruments. We are seeing it here. The mandarins opposite are saying, "It is up to us to judge what is 'substantially the same' as to the contents of a periodical."

Mr. Stanfield: And they can change their minds every day.

Mr. Baldwin: As the Leader of the Opposition says, they can change their minds from day to day, and probably from hour to hour. Without doubt, certain arrangements have been made. I wish I could see the memorandum which was written following the meeting between officials of the department and the people representing *Reader's Digest* as a result of which there was this complete change of mind.

We cannot govern successfuly in this country by adopting these methods. For instance, at the meeting of the Liberal caucus on Wednesday there were, no doubt, some compromises made and the government may have said to members of its caucus, "All right, we will change our minds and we will sacrifice the Minister of National Revenue. He will have to suffer as a result of his statement."

Mr. Faulkner: Fantasy, pure fantasy.

Mr. Baldwin: The protestations of the Secretary of State (Mr. Faulkner) indicate that I touched a vital chord. What I speak is the truth, and he knows it.

Mr. Faulkner: No way. It is pure nonsense.

Mr. Baldwin: The Liberal caucus has been running frightened. At the same time civil servants who love to exercise their right of dominion over the people of this country are acting on delegated authority.

Mr. Faulkner: Nonsense.

Mr. Stanfield: With the assistance of the whip.

Mr. Baldwin: My party, Mr. Speaker, has a strong, traditional respect for parliamentary government. But what we are seeing today is not parliamentary government. This particular issue is not being dealt with as a parliamentary government ought to deal with it. If the government wants to deal with the matter properly, let it have the courage to bring forward, as my colleagues have, amendments which will carefully narrow the definitions of circumstances under which particular benefits can be granted. Let it have the courage to do that. That is how we should operate in these circumstances.

Mr. Stanfield: They should not be able to change their minds when they want to.

Mr. Baldwin: I reject out of hand the government's attempt to arrogate unto itself the right to change its mind whenever it wishes. It might change its mind next year, with a new minister of national revenue, or it might change its mind with a new deputy minister as to this particular clause in respect of section 19(5).

● (1540)

Parliament has lost enough of its privileges, and we do not intend to lose any more without fighting for them. In these circumstances, we reject the government's proposal and we hope all hon. members of this House, including those sitting opposite—some of whom I know have indicated that they are prepared to support us—will have the courage and the respect for parliamentary traditions so that when the question is put they will stand and vote in favour of the amendments in respect of which I am speaking.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, like the hon. member for Mississauga (Mr. Abbott) I, too, was going to refer to the words used in the speech last night by the Leader of the Official Opposition (Mr. Stanfield), but I intended to put a different connotation on them. When the Leader of the Opposition described the government's latest move on Bill C-58 as completely shocking, revolting, a subversion of our whole judicial system and acting in an arbitrary way, I intended to suggest that his language was not strong enough. The government is really undermining its whole position on this bill.

Certain facts have to be brought out in order to inform the Canadian people of precisely what is going on. I think the first response one must make, in commenting on the remarkable speech and tortured explanation of the Minister of National Revenue (Mr. Cullen) regarding the move to allow *Reader's Digest* to come under Bill C-58, is to say that this is a prime example of why the government should not be involved at all in the interpretation of what publishing is in Canada. The minister has done a disservice to that element of fairness which the government said was in its mind in bringing forward Bill C-58.

Yesterday, the government announced that *Reader's Digest* would suddenly qualify under Bill C-58, without ever hinting during all the committee hearings that they felt *Reader's Digest* would in any way qualify. What the government has done is completely reverse its decision. I submit that the Canadian people will not accept that kind of arbitrary change as being fair, particularly when it has no basis in law.

We on this side of the House are in a difficult position. Many members of the Conservative party argued that the application of Bill C-58 would be unfair to both *Time* and *Reader's Digest* and considerable effort was made to get the government to change its mind, particularly in the case of *Reader's Digest*. We now have a situation in which *Reader's Digest* is going to qualify for continued publication, with its advertisements being exempt for tax purposes. That is what we wanted. What we did not want was this decision brought in through a back door deal in a way unfair to the members of this House and to the whole publishing industry in Canada.

The committee held a number of hearings on this bill and a great amount of debate took place on second reading. During all that time the government gave no indication of a change of heart, and has now suddenly reversed itself without any basis for such a reversal. The opposition to this kind of decision by fiat should be continued in order that the government will know this kind of conduct is not

acceptable to members of this House and is not an answer to the publishing problems in Canada which the bill set out to correct.

The editors and publishers of *Time* magazine are entirely within their right to speak as the president of *Time* Canada did last night when commenting on the new arrangement between *Reader's Digest* and the government, an arrangement that was sprung on everybody. I think Mr. Stephen LaRue was within his rights when he said there is no doubt that there was a bit of secrecy involved in these negotiations. Mr. LaRue went on to state:

It certainly raises some questions about last-minute deals. The public needs a clarification now of what the agreement means.

We are now in a remarkable situation. *Reader's Digest* will not have to change anything it is doing now regarding the manner of its publication. It will be able to go ahead and continue to publish and meet the demands of Bill C-58. Representatives of *Time* magazine came before the committee and told us about a proposed plan whereby it would make changes in such a way that half the publication would be of fresh material originating in Canada, and half would be imported from the United States parent, but that the entire package would be edited in Canada. That was a substantial move by *Time*, in the interests of complying with the intention of Bill C-58. *Time* came before the committee to say it would change to accommodate Bill C-58, but *Time* has now been rebuffed.

It was well known that the intent of Bill C-58 was to stop the special status that both *Time* and *Reader's Digest* have been enjoying since 1965. What we have now is a reversal of that intention. We will still have a special status for *Reader's Digest*. However much those of us who wanted *Reader's Digest* to continue publishing in Canada, as it now does, are in favour of this move, we certainly oppose this kind of decision-making process which in our opinion is completely unfair and without foundation in law.

Time magazine is entirely correct in posing a question to the Secretary of State (Mr. Faulkner) in an article which appeared in the February 9 edition in answer to a letter it received from the minister. In this article, *Time* sets out its opposition and objection to the content rule by stating:

It has no mooring in the law as parliament approved it in 1965. To say that "not substantially the same" means "more than 80 per cent different" not only distorts the law but violates the English language.

The amendment we are debating now, to which the Minister of National Revenue addressed his comments last night, has to do with content—and content is the heart of the bill. We ought to bring back into focus what we are trying to do in this bill in respect of publishing. We want to help Canadian publications. Representatives of Canadian publications and their advertisers appeared before the committee and were entirely divided on whether the bill would be of help to them. What everybody agreed to was that the provisions of Bill C-58 would be all right if they confined the requirement to 75 per cent ownership in Canada without a content rule. It is the insistence of the government on this extreme 80 per cent content rule which is at the centre of this controversy.

We now have this apparent violation of parliament's right to make sure that the legislation we pass in this House is fair to all concerned. The thrust of the objection

[Mr. Roche.]

this afternoon is related to the arbitrary decision by the government that a group of officials in the Department of Revenue should be empowered to decide what is "substantially different" under the 80 per cent formula and therefore able to qualify. We object to this arbitrary decision-making which exempts *Reader's Digest* under a new clause that is unfair and without foundation in law.

● (1550)

I think it is interesting, as we continue to focus on the heart of this issue, to look at the comment which was made by Geoffrey Stevens in the *Globe and Mail*. Greater attention should have been given to this aspect than has so far been accorded to it, because it raises once again the issue of anti-dumping legislation as a way of meeting the intention of helping Canadian publications rather than imposing an 80 per cent content rule. Mr. Stevens wrote this:

Content rules are odious in principle and would be a nightmare to administer. A better, simpler way would be to move to an anti-dumping approach. *Time* and *Reader's Digest* would not enjoy an unfair competitive advantage if they were forced to pay a realistic price for the news stories and articles they import. National Revenue would come up with a fair price by taking the editorial costs and prorating the cost over circulation in CAnada. Or, it could calculate a price on the basis of what Canadian newspapers pay for foreign wire services, what Canadian television pays for foreign news film, and so on.

I tried to follow the discussion which went on in committee as carefully as I could, but I have never heard any answer from the minister or from a government spokesman explaining why anti-dumping legislation could not be used to secure the end which Bill C-58 envisages. I believe that if our attention were focused on that aspect, as it will be when we come back to the motion for third reading, the issue ought to be raised again.

In addition, thought should be given to a further consideration, that because of the remarkable intervention yesterday by the Minister of National Revenue, the bill should be referred back to committee for reconsideration. The action of the minister yesterday completely distorted the effort of the committee to reach an accommodation which would be founded in law and which would make it possible for *Time* and *Reader's Digest* to operate within a formula enabling them to continue to publish in a fair manner and in a manner which, at the same time, was fair to Canadian publications. There was a disposition on the part of members of the committee on both sides to find such a formula but, as is well known, the government refused to consider amendments which the committee was in the process of formulating. This led, of course, to the stage we have now reached, in the course of which amendments have been introduced on a unilateral basis.

I believe the government acted in a wholly improper manner in seeking to protect *Reader's Digest* following the enormous pressure to which it was subjected in favour of that publication. The government acted in a way which leaves open the question of its sincerity—whether it did seriously intend to find legislation which would improve circumstances in the publishing industry in Canada.

I am saying, finally, that the government has taken a back door approach in bowing to this pressure without coming to the floor of the House of Commons and producing amendments, producing the kind of legislation which would write into law what it seeks to do for *Reader's*

Digest. If I were the managers of *Reader's Digest*, I would be worried about what might happen if there were a change of minister, a change in some of the departmental officials who might advise the minister on decisions concerning *Reader's Digest* a few years down the line. I would be worried, not only about the arbitrary way in which officials of the Department of National Revenue are empowered to make rulings, but also that rulings might be changed, given a change in personnel or a change in government policy.

The government owes us some answers. I say this to the minister: I know he is really trying to help Canadian publishing, and I am on his side. I do not quarrel with the intent of Bill C-58, but I ask him this: What happened between the time he came before the committee shortly before Christmas, when he shot down the process of accommodation to which members on both sides were contributing, when he never even raised the possibility that *Reader's Digest* could conform to his requirements, and the announcement yesterday by the Minister of National Revenue? Obviously, something happened, because the government changed its mind. I ask the minister to tell us. Let us have the documentation. Let us see the memoranda which have been floating around with figures of 50 per cent, 60 per cent and 80 per cent on them. Let him come clean as to the publishing policy reflected in Bill C-58 so that members of this House and the public at large may have an understanding of what publishing rights are to be protected.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, the more I listen to this debate, the more I get the impression that this must be the legislative equivalent of the long march, not only in terms of how long we have spent on this bill—we started it a year ago—but in terms of the history behind the subject itself. The two amendments which are before us are important amendments. One deals with the meaning of "not substantially the same" and the motion put forward on behalf of the Conservative party recommends that the interpretation be 50 per cent. As the hon. member for Edmonton-Strathcona (Mr. Roche) pointed out, in committee I resisted that. What I will do now is what I have done before. I will try and go over the arguments for resisting it.

● (1600)

This clearly offers us a choice. I have no grievance with the right of the opposition to say that 80 per cent is too high and to offer 50 per cent as an alternative, but I think in fairness to the government they should recognize that there are strong arguments for 80 per cent. I am now looking at the matter as Secretary of State responsible for publishing policy. I am not going to go into the area of jurisdiction which specifically concerns my colleagues.

Mr. Stanfield: Why not?

Mr. Faulkner: I am surprised that the Leader of the Opposition (Mr. Stanfield) balks at that suggestion. I should like to point out to the House that not only is it a position supported by the government, but it has been eloquently supported by members of the New Democratic Party and supported rather strenuously and very openly by the Canadian Periodical Publishers' Association. I really do not know whether members of the opposition have so little respect for people in this country who are professionally involved in the periodical business, who are citizens of this country or in the marketplace day in and day out and who are the only professionals in the business. There is not a single member on th other side, that I am aware of, who is a professional in this field.

Mr. Epp: Are you?

Mr. Faulkner: No, I am not.

Mr. Epp: But you know all about it.

Mr. Faulkner: I do not know all about it and I do not pretend to know all about it. I am simply quoting one group which came before the committee that does know all about it and which tends to support the position of the government.

Mr. Stanfield: Did they support that ruling? It is even more shameful than the reversal of the wage and income controls.

Mr. Faulkner: Well, Mr. Speaker, I have been listening rather patiently to hon. members opposite and I think they should extend me the same courtesy. The issue is: What do we mean by "not substantially the same"? How does it relate to publishing policy? What are its origins? How did we get into this debate?

Mr. Stanfield: Good question.

Mr. Epp: Or out if it.

Mr. Faulkner: I know how we will get out of it, but I do want hon. members to try to understand the historical genesis of this whole issue. They seem to have come into the issue rather late in the game. Let me take them back a little. It may be rather laborious for them, but perhaps they will learn something. Let me go back again to the one document that we seem to be reasonably agreed upon and which started the process forward. I refer, of course, to the royal commission that studied this matter.

I am not going to read the whole report, but I should like to take a few excerpts from it which seem to me to be germane to the argument in which the House is presently engaged. As all hon. members know, the royal commission studied the state of the Canadian periodical industry and made certain observations and recommendations. One of its interesting observations, under the rubric of the responsibility of the publisher, the royal commission, is as follows:

> The right of Canadians to their own media of communication implies that they should not be served with merely a rehash of editorial matter cheaply obtained from abroad for reuse in this country. There can be no excuse for the republication in Canada of periodicals which are not much more than facsimiles of those abroad. Here is something which, whatever may be said of its ethics, does not benefit the public.

That was a general observation from which it drew certain conclusions. The first is as follows:

> 1. That a nation's domestic advertising expenditures should be devoted to the support of its own media of communications.
>
> 2. That a nation's communications media must be aware of their responsibilities and that such media should not be used merely for the republication of editorial matter to support an advertising structure.

Non-Canadian Publications

Thirdly, the commission concluded:

> That a Canadian periodical is one published in Canada, owned either by Canadian citizens or, if a corporation, by a company incorporated under the laws of Canada or of one of its provinces, and which is controlled and directed by Canadian citizens and is not a licensee of or otherwise substantially the same as a periodical owned or controlled outside Canada.

Obviously, what has happened historically since then has been an effort, frequently abortive, to try to translate those recommendations into some form of legislative practice. At the time the royal commission was concerned, of course, for the arguments that had been developed by members opposite, and indeed by members of my own caucus, about how the translation of these principles affects the question of freedom of expression. I think hon. members opposite will be generous to enough to concede that it is not simply a concern of their own but of all members of the House. The commission had this to say:

> Subject always to paramount national interest, the commission has avoided suggesting measures which limit either the freedom of expression or its corollaries: free flow of information and readership preference.
>
> Some may claim that the statement of an ownership requirement constitutes licensing of the printing press. Such is not the case. The right to own a press and to print and distribute from it whatever is legally permissible, remains unhampered.
>
> The commission's sole purpose is to define those periodicals which by reason of their responsibility to, and function in, the Canadian nation, should be assisted in their access to Canadian advertising expenditures, this in keeping with the principle that the advertisement of domestic goods and services to a domestic consumer should be through a Canadian medium.
>
> The diversion of Canadian advertising from foreign periodicals does not mean regulation of the preparation, content or free flow of their editorial material any more than it means that the reader is denied the periodical of his choice.
>
> Finally, in its emphasis on Canadian advertising support for Canadian media, the Commission's conclusions make neither rules as to what an advertisement may contain nor regulations regarding how much may be spent in periodicals. They simply provide for the spending of money raised from the domestic consumer in support of domestic media.
>
> The commission was concerned lest there might exist in some minds a concept of advertising which would consider this policy a violation of some sort of right or freedom.

That is really where this issue started in a thoughtful and comprehensive way. I think it is fair to say—I am sure there is no dispute in the House about this—that the credentials of the commission were impeccable. Their intent was serious and their efforts were thorough. What we, as members of parliament, have been trying to do—and we are not the first to look at this; our predecessors looked at it, too—is translate those thoughts and those conclusions into some legislative form. The debate we are involved in today, and have been involved in over this past year, really centres around this question.

As I have said several times, Bill C-58 is an attempt to eliminate an anomaly, an exception to the 1965 law which was the first major attempt to translate the recommendations of that royal commission into legislative practice. It attempts to reinstate the full thrust of that 1965 law, and that is all it attempts to do.

Mr. Stanfield: That is not what government policy attempts to do.

[Mr. Faulkner.]

Mr. Faulkner: Let me reiterate that the government is not seeking in any way to control the freedom of magazine publishers and editors. Nor do we want to impose our will upon the people of Canada and regulate their reading habits. Bill C-58 in no way impinges upon freedom of expression. The bill does not deal with prevention of entry into Canada of information, the curbing of the operation in Canada of any publication, or the imposition of any Canadian content regulations. But it does prevent the dumping of editorial copy. We are not talking about the availability of magazine business in Canada or the choice of reading material by anyone resident in Canada.

● (1610)

I find it difficult to really take seriously some of the arguments I heard in the House last night from members opposite to the effect that this is at play, because the disturbing fact is that 95 per cent of the magazines sold by Canadian newsstands are in fact foreign magazines. Given this fact, it seems to me it is difficult to argue that somehow the free flow of material is being impaired either by the 1965 law or by this amendment.

Bill C-58 is not discriminatory; it seeks to remove an existing discriminatory situation. The present situation whereby both *Time* and *Reader's Digest* are exempted from certain stipulations of the Income Tax Act, which apply to the majority of all other consumer and special interest foreign magazines regularly circulating in Canada, is clearly discriminatory. The legislation's intent is to reserve any benefits or concessions associated with the periodical publishing industry for the domestically-owned and controlled segment of that industry. This, historically, has been the practice of all governments vis-à-vis domestic industries.

More particularly, this very approach is consistent with the view held by a considerable number of governments, including one composed of some hon. members now sitting opposite. I should like to touch now, Mr. Speaker, on the ruling made by my colleague, the Minister of National Revenue (Mr. Cullen), that a magazine must be 80 per cent different from a foreign magazine to qualify as Canadian for tax purposes, because obviously this is what is at the root of the hon. member's motion. I should like to interject for a moment to say that I welcome him back from Peterborough, I hope his visit there was successful and that he enjoyed it.

Mr. Fairweather: I heard a very great deal about this legislation, I must say.

Mr. Faulkner: You were in rather select company.

Mr. Fairweather: Very select company.

Mr. Faulkner: I should like to say that this, perhaps has been the most misunderstood part of the government's attempt to support periodical publishing in this country. First of all, the ruling is not part of Bill C-58. It is an interpretation of a clause in the Income Tax Act which says that a magazine cannot be considered Canadian for tax purposes if it is substantially the same as a magazine published outside the country. It does not apply to newspapers, we are not suggesting it be applied to newspapers, and it has been law since 1965.

No one has argued the necessity for having some sort of definition of Canadian magazines, and no one has questioned the necessity of Canadian ownership as one of the criteria. But we are not dealing with the economics of some manufacturing company; we are dealing with the very nature and quality of our cultural expression. I would like to quote the right hon. member for Prince Albert (Mr. Diefenbaker) who in 1962 supported in this House the O'Leary royal commission report. At that time he said:

> The issues at stake are not essentially of a commercial character, but go into the fabric of our culture.

That is as true now as it was then; in fact, I believe the stakes are even higher now. I think in his very interesting and thoughtful speech the hon. member for Fraser Valley West (Mr. Wenman) last night, in a more serious way than most of his colleagues, tried to come to grips with this very difficult problem. For those members opposite who did not have the privilege of hearing his speech, I recommend it to them because in it he reached some of the questions which lie at the root of this legislation and the attempts by the government and the opposition parties to deal with the problem of the penetration of the Canadian culture.

If what we are trying to encourage is expression and interplay between Canadians, then we must at the very least permit it to happen. But if what we support is to be Canadian, then we must have a definition. In the case of a magazine—a vehicle for ideas—it is not enough to say that it is owned by a Canadian company. That is where I part company with my very distinguished colleague who I am sure will be speaking later, the hon. member for Vancouver-Kingsway (Mrs. Holt). That hon. member has a motion before the House which would restrict it simply to ownership. I say to her, as I will after she speaks, that I do not think that is good enough. She is within her rights to argue for it, and I have the right to argue against it. Who controls what ideas are in it? Surely that is equally important. And if the true control, both financial and editorial, is not in Canadian hands, then I do not think the magazine should be supported by the government. That does not mean it cannot circulate here. It does mean, though, that it should not qualify for special tax privileges which have been instituted to encourage, specifically, Canadian magazines.

When provision in the law was made to exclude magazines which were substantially the same as foreign ones from the benefits, it was done to preclude the possibility of a foreign company setting up a front in Canada, and because the front would be Canadian-owned, benefitting from something for which it did not qualify. In a sense, that is what *Time* and *Reader's Digest* have done. Their Canadian companies have full and exclusive rights to use in Canada a vast amount of editorial material which the Canadian companies buy for a fraction of the cost of its production. Yet the true Canadian magazine trying to compete has no access to any similar material. In fact, if a Canadian magazine tried to establish this sort of relationship with a foreign one so that it could compete with *Time* and *Reader's Digest*, it would lose the tax privileges it has because it would be substantially the same as a foreign periodical. *Time* and *Digest* are not required to meet this part of the law. Bill C-58 will change that.

The questions arise: How different is different? How substantial is substantial? Why 80 per cent? There are those who said that "substantial" should be defined as half; that to be "different" it should be 51 per cent different. Let me deal with that first.

Mr. Fairweather: Of course.

Mr. Faulkner: That is the position of the hon. member and it is the position of his party. I am looking at it from the point of view of publishing policy and I will develop an argument as to why it should not be 51 per cent or 50 per cent from a publishing point of view. That is my concern. It is not a workable proposition. That decision, of course, obviously is appealable to the courts.

A magazine which was allowed to receive 49 per cent of its material from a foreign source or sources would have a clear competitive advantage over one which tried to produce everything itself. This would be mainly because its costs would be so much lower, for it could buy material which is in a sense used for a fraction of what it costs to produce new or fresh material. The result would be this: in a short time almost all magazines, and certainly all those who had competitors, would be forced to accept this arrangement out of necessity. Magazines producing their own material could not afford to compete with those producing only half of their own material. Gradually, the market would change drastically so that the only magazines left would be those which had an arrangement with a foreign publisher. Because the magazines would be relying so heavily on their foreign suppliers, virtually the entire industry would be dependent on foreign sources.

So when considering the definition of "substantial", the government discarded the concept of "more than half". I think hon. members will have to come to grips with that argument. This is not an argument I alone present; this was the considered position of the Canadian Periodical Publishers' Association. It has been the considered position of other members of this House. It is not good enough simply to say that that conceivably might be an interpretation by the court. What we are determining here, of course, is publishing policy. That may stand or fall in the courts. That is another issue. But it seems to me that when members opposite argue for 50 per cent, they argue that in terms of publishing policy. I think the onus is on them to demonstrate that at 50 per cent, in fact, my scenario would not happen. In fairness to them—and I have the greatest respect for them—I do not think they have done that; I do not think they did it in committee or in this debate. But the hon. member for Fundy-Royal (Mr. Fairweather) has yet to speak on his motion and I take it he will address himself specifically to this point which was raised by the Canadian Periodical Publishers' Association, which has been raised by me in committee and, as well, by the hon. member for Sault Ste. Marie (Mr. Symes).

● (1620)

I would like the hon. member to point out clearly to me and to the House why, if he feels that in fact we should go for 50 per cent, it would not lead to the scenario of a series of split runs in the country. The presumption behind that question is that he himself would not like to see this policy which would lead inevitably to a series of split runs, because he is sufficiently concerned about the state of the industry to object to that. Just to reassure hon. members

that I am not simply speaking for myself, a confessed innocent in the field of publishing, I should like to quote a letter which recently appeared in the *Globe and Mail*, written by someone who is in the field and who had something to say about Bill C-58. The author of the letter is the editor of *Chatelaine*. It reads:

> The content ruling in Bill C-58, however, is being misinterpreted. The suggestion that the content ruling be lowered from 80 per cent to 50 or 60 per cent would completely negate the purpose of the bill. No Canadian magazine could compete with foreign publications that could import almost half of their editorial free—or at nominal cost. It is exactly the same as if we were to tell a Canadian car manufacturer that he must compete with another car manufacturer who gets his engine free.
>
> In fact, if the content ruling were lowered to 50 or 60 per cent "substantially different" it is more than likely that a flood of foreign publications both in consumer magazines and the business press would come into Canada to take advantage of the new ruling. Canadian magazines would be worse off than ever.

I think that fundamentally the question that is at play and that is disputed between the two sides of the House is about 50 per cent versus 80 per cent. What, in fact, would it lead to in terms of the publishing industry? Would it, as I have suggested, lead to a series of split runs? Would it, in fact, lead to a situation where Canadian magazines would cut their losses and go for the cheaper material for half of their content?

Contrary to the claims of some hon. members opposite, the figure of 80 per cent was considered some time ago; in fact, before second reading debate ever started. In February of 1975 the then minister of national revenue said publicly that 80 per cent was a figure which would definitely be acceptable. That was in an interview with the minister which was reported rather widely and to which there was a fairly widespread response, a response somewhat similar to the response we have been getting from the opposition since then. He also said that 60 per cent would be a minimum threshold above which it might be possible to consider magazines, but if they wanted to be sure, then they would strive for 80 per cent. He repeated this in March, but people said it was not clear and I think they have a point.

What was the grey area between 60 per cent and 80 per cent? Because it would be so difficult to administer a grey area fairly, the government made a final decision, announced in October, 1975, by the Minister of National Revenue, that 80 per cent was the amount of difference required to achieve Canadian tax status. This was to ensure that Canadian magazines could have a real chance, and also to ensure that there would be no possibility of the industry being controlled by foreign suppliers of editorial material.

So what happens to *Reader's Digest* or any magazine which wants to be a digest? Well, if the editors sit down and read the articles available around the world, make their choices, condense their articles and publish them, it is fine. We made that point at some length in the committee. But they cannot buy more than 20 per cent of the already digested and condensed material from someone else who has done it for another magazine while saying they are Canadian.

In the case of *Reader's Digest*, it means that predigested articles or those orginated by foreign editions of *Reader's Digest* can only make up 20 per cent of the material in any given issue. The rest of the work has to be done here with no obligation to a parent company or to foreign editors. Thus, editors and publishers will still remain free to do what they please. For example, they can sell their editorial and financial control to foreign interests and still be able to circulate freely in Canada. I am referring to such magazines as the *Economist*, *Newsweek*, *Le Nouvel Observateur*, and a host of successful foreign magazines. They cannot sell to foreign interests and qualify their advertisers for Canadian tax privileges at the same time. Once again I would say to hon. members that I do not consider this to be censorship. I try to make the case as rationally and dispassionately as possible. I think it is common sense.

The hon. member for Edmonton Strathcona has been talking about a back door deal designed to protect *Reader's Digest*. There has been no deal and there has been no reprieve. I think the Minister of National Revenue made that position abundantly clear last night. What has happened? It should not come as a great surprise to hon. members. *Reader's Digest* decided to conform with the law, and that was their option.

There are people in this country who support the bill and who view it as a device to get rid of the two magazines, but I have been perfectly candid with the House and with the public that that has never been my intention. My sole intention has been to equalize the impact of the law. If they can conform, surely that is their right. If they decide not to conform, that is equally their right.

What *Reader's Digest* has decided to do is to conform. That was the announcement that was made, I take it, yesterday or the day before, or whenever it was. I do not think we should underestimate the difficulties ahead of them. I think we are being rather casual about the announcement, and rather machiavellian in searching for motives. The fact is that the task ahead of *Reader's Digest*, and particularly the publishers of that magazine, is very difficult. To conform, they have to go to 75 per cent ownership, they cannot operate under a licence with their parent company, and they cannot be substantially the same as the U.S. edition. They cannot be, to use the language of the O'Leary report, a pale facsimile.

That is obviously what the announcement was designed to convey to their advertisers, in the first instance, and to the House and the public at large. Having looked at the bill and having, I take it, judged the prospects of getting it through—their judgment on that may be more accurate than mine—they decided to conform with the law. That is something that should not come as a surprise and should not be the subject of prolonged debate. I thought that was always something that both sides of the House viewed as a possibility. The fact that some of us on this side of the House—not all of us—the NDP and two very noble souls in the PC party have argued for the principles of this bill for the past year is something from which we can take some satisfaction in the results so far.

Mr. Friesen: Mr. Speaker, I rise on a question of privilege. I wonder if the Secretary of State (Mr. Faulkner) would permit one question?

The Acting Speaker (Mrs. Morin): That is not a question of privilege. Is the hon. member rising to ask a question? Will the minister allow a question?

Mr. Faulkner: Yes, Madam Speaker.

Mr. Friesen: I wonder if the Secretary of State would not agree that if a writer is restricted by regulation as to how he can write, and the publisher is restricted by regulation as to what he can publish, it is not reasonable to suppose that there is a comparable restriction on the free flow of information?

Mr. Faulkner: If I understood the question, and I am not altogether sure I did, I think I would probably have to agree. But I do not see that that is relevant to Bill C-58 or to the debate.

● (1630)

Mr. Stanfield: Would the minister permit a question? I should like to ask the minister whether, by any ordinary understanding of the English language, he could say that a magazine which is, say, 30 per cent the same as a foreign magazine, but 70 per cent different, is substantially the same? I am not asking him what the policy should be. We are dealing with a statute on the books. I am asking him, by any ordinary use of the English language, whether he can take those words which are in the statute, "substantially the same," and in using those words come to the conclusion that a magazine which is 70 per cent different and 30 per cent the same—or to put it the other way, 30 per cent the same and 70 per cent different—is substantially the same?

Mr. Faulkner: Madam Speaker, I am responding seriously to the Leader of the Opposition. I think that is arguable, and I think it is arguable all the way down the line.

Mr. Stanfield: "Substantially the same"?

Mr. Faulkner: That is right. I think in a court of law there could be a range of arguments about an interpretation of the meaning of that, but I think—and I am offering an answer which is my own in this respect—it would be quite possible to argue for the 80 per cent and 20 per cent ratio as a construction of "not substantially the same." In fact, there is some evidence to support that and some of that evidence was given in the parliamentary committee.

Mr. Roche: Madam Speaker, I should like to ask the minister a question, if he will accept it. In view of the fact that *Reader's Digest* has suddenly found it possible to comply with Bill C-58 and having told the committee during the hearings that there was no way it could possibly do that, would the minister support my proposal that the bill be referred back to the committee in order that *Reader's Digest* officials be given the opportunity of explaining to members of the committee how it is they will be able to continue publishing under Bill C-58, and at the same time give the officials of *Time* magazine an opportunity to examine the method by which *Reader's Digest* will be able to continue publishing, so that *Time* may be given the same opportunity to comply with Bill C-58?

Mr. Faulkner: No, Madam Speaker, and I am surprised the hon. member has put that forward as a serious proposition. The decision clearly rests with *Reader's Digest*, *Time* and a variety of other magazines. *Reader's Digest* made a decision. Now *Time* also can make a decision. I think the suggestion that it be referred back to the committee so that the committee can find out why *Reader's Digest* made that decision is not a serious one.

Hon. Marcel Lambert (Edmonton West): Madam Speaker—

The Acting Speaker (Mrs. Morin): Order, please. This is developing into a second question period.

Mr. Lambert (Edmonton West): Mine is not a question. I seek the floor to respond to the minister. My points are very brief. It was the minister's reply which confirmed for me the suspicion I had in my mind as a result of the discussion yesterday and the point which was made by the Leader of the Opposition (Mr. Stanfield) last night. It is one which, if hon. members opposite had been present during the debate on the so-called tax reform measure of 1971, they would have seen hon. members on this side of the House shared at that time in objecting to so many insertions of precisely the same point that was raised last night. I refer to ministerial discretion.

Since there is no legal yardstick which defines "substantially the same"—and the minister just now, in reply to the Leader of the Opposition, said that there would be a whole series of arguments in court to determine whether a magazine 70 per cent and 30 per cent, or 75 per cent and 25 per cent, or 80 per cent and 20 per cent, or whatever combination comes to a hundred, is or is not substantially the same—that offends, I think, one of the cardinal principles which we have insisted upon in the Income Tax Act, that is, the removal of or the insistence on narrowing ministerial discretion. We have seen in certain sections with respect to corporations that "the minister may deem . . ." There are entire areas and, frankly, it introduces in effect what was pointed out last night, bureaucratic tyranny in the act; the minister acts on the advice of his officials.

The Secretary of State (Mr. Faulkner) said that this was a matter, not within Bill C-58 but strictly within the confines of the Income tax Act and that the Minister of National Revenue (Mr. Cullen) was entitled to come to that conclusion and to make that assertion. I think this bill has been damned by that particular position. We can readily understand ownership proportions. Yes, that is simple to comply with. Everybody understands that. But not this infernal ministerial discretion.

I am surprised that the hon. member for Mississauga (Mr. Abbott) brought to our attention all the instances of rulings, some under ministerial discretion, in the Income Tax Act, and then made a statement—his eminent father, who is a former Supreme Court justice, must be shaking his head at the assertion of the hon. member—saying that in cases of this kind the disappointed taxpayer may come to the court for relief, when it is a fundamental principle of law that no court will substitute its discretion for the discretion of the person charged with exercising the discretion, provided that official or minister has proceeded legally. No court of appeal will substitute its discretion, so a person feeling aggrieved that his or her publication was wrongfully judged by the minister and his official advisers has no appeal in fact.

That person can go through the charade of going before either the Tax Review Board or the Federal Court, but no

judge considering the matter and knowing the law would dare substitute his or her discretion for that of the minister and his advisers. So I simply say we are back down to precisely the difficulty pointed out by the Leader of the Opposition, and it is one which I and many others insist will have to be modified. This business of "substantially the"—I almost said "substantially the shame"; I think it is a shame—

Mr. Stanfield: It is "substantially, the shame."

Mr. Lambert (Edmonton West): My leader has the best words yet: substantially, the shame of this bill is that a minister and his advisers will say that a publication offends or qualifies when there is no right of appeal in fact.

Mr. Stanfield: And change their minds from day to day.

Mr. Lambert (Edmonton West): The purpose of my short intervention at this time is to reinforce the argument which was initiated last night about the so-called Cullen ruling. What was worse, the minister—whom I thought a reasonable man when he was a private member—assumed ministerial arrogance when he declared, at the time it was set at 80 per cent, "If we find anyone getting around this we will block the loophole. We are going to close down whomever we want—"

● (1640)

Mr. Stanfield: And let publish whoever we want.

Mr. Lambert (Edmonton West): "We will close down anyone we want—"

Mr. Stanfield: And let publish anyone we want.

Mr. Lambert (Edmonton West): "—and let publish anyone we want". This "substantially the same" admits of no appeal, and ministerial discretion, coupled with the statement of the minister charged with the administration of the Income Tax Act, leaves him the absolute power to determine who shall publish and who shall not publish. To that extent I say the bill is wrong.

I see that the hon. member for Mississauga has returned to the House, Madam Speaker. I hope the hon. member will seek the counsel of a very close relative of his on what I am saying about ministerial discretion, and that discretion legally exercised is not reviewable in a court of law. No judge will substitute his or her discretion for ministerial discretion. I find the bill to this extent "substantially, the shame" on this point, and I am against it.

Mrs. Simma Holt (Vancouver-Kingsway): Madam Speaker, I shall intervene briefly, I hope, in this matter. The hon. member for Edmonton-Strathcona (Mr. Roche) suggested that this matter should be referred back to the committee. I would say there is more than one reason why it should be referred back to the committee. Many important groups were ignored, including *Reader's Digest*. *Reader's Digest* did not even get a complete hearing there. The minister claims there was a professional on that committee, but he would not allow me to sit on the committee even though he was there and I am a professional of 30 years.

[Mr. Lambert (Edmonton West).]

An hon. Member: Right on!

Some hon. Members: Hear, Hear!

Mrs. Holt: I have 30 years' experience as an author, journalist, magazine writer and media person, but I was not allowed on that committee; so I am not very impressed with the work of a committee that was totally inflexible and did not move one inch. There are a couple of points the minister raised that I feel I should reply to. He referred to me, and said there would be differences between us. There is a great difference between us, Madam Speaker. I am just a backbencher here. The best I can do is trip these men from the front row and yell and scream and holler. He has the whips behind him. He sits there and gives orders, and we, like good little fellows—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member has to speak to the two amendments.

Mrs. Holt: Madam Speaker, he raised this matter by referring to me. I hope, through freedom of choice, that our people on this side of the House realize that this has terrible, terrible ramifications. I hope they do consider that we have freedom of choice here as members, and do not compare me, as a backbencher, to him as a cabinet minister. I want to talk on the references. He got pretty far off the amendments, too, Madam Speaker. I am just referring to one or two things he referred to—censorship—

An hon. Member: Here comes the whip.

Mrs. Holt: You are not mad at me, are you?

Mr. Guay (St. Boniface): Me? No, but I should like to get up on a point of order.

Mr. Fairweather: Here goes freedom.

The Acting Speaker (Mrs. Morin): The hon. member for St. Boniface (Mr. Guay) on a point of order.

Mr. Guay (St. Boniface): I just want to say to you, Madam Speaker, that if the hon. lady was taken off the committee, it was because she was not present.

Some hon. Members: Oh, oh!

Mrs. Holt: I was there every night, at the moment the meeting met. I do not think I missed one meeting. They were short of members and I was not allowed on. I think my credentials were better than the school teacher who is saying there were no professionals on there. I think I missed one meeting. You had a perfect attendance because I was there.

Mr. Guay (St. Boniface): That's right.

Mrs. Holt: I would hate to hear him say what black is, if he says this is not censorship. Black would probably be yellow, white, or maybe red. He says he is disappointed—

Mr. Guay (St. Boniface): Who says?

Mrs. Holt: Not you; you are off the hook. The minister. He said he was disappointed. In saying there was no censorship, how can he say there is no censorship when

certain publications have been here for 32 years and suddenly the rules change. Within the past year those rules have been changing constantly. There is a limiting of freedom of choice and freedom to the advertiser, freedom to the writers. There were writers who came, a group of 1,000 Canadian writers, who were not even taken seriously. Instead, the periodicals association was taken seriously, and it was formed specifically to get this bill through.

An hon. Member: Right.

Mrs. Holt: He referred to Doris Anderson of *Chatelaine*, her letter and *Maclean's*, the tragedy of it. He did not say that MacLean-Hunter in its list of holdings publishes Canadian *Redbook* which happens to be an American women's magazine—unless there are two *Redbooks*. It is all very well to discuss the special interests of the people who are for this bill, who have to gain in the name of nationalism, but I call it nationalism and greed.

An hon. Member: You have a lot of courage, Simma.

An hon. Member: Good work, Simma.

Mr. Fairweather: No trips for Simma.

Mr. Jake Epp (Provencher): Madam Speaker, what the hon. member has just stated is entirely correct as far as the operation of the committee is concerned. Opposition members on that committee were willing to give up their place so that she would have the right to speak, as well as some of her other colleagues who were bumped from that committee because they were an embarrassment to the government while we were discussing the bill.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Hamilton-Mountain (Mr. MacFarlane) on a point of order.

Mr. MacFarlane: Madam Speaker, the hon. member mentioned bumping committee members, and that is part of my responsibility. I should like to say that the only removal of members that I have been involved in is when members have been absent and not performing.

Mr. Epp: Madam Speaker, obviously I touched a very sensitive nerve with the whip and the deputy whip. They are backing up all over the place, trying to recover some lost territory. I might say they do not look any better in retreat.

Mr. MacFarlane: I changed a few Tories who were away, too.

Mr. Epp: In respect of motion No. 2, Madam Speaker, the mentality that seems to have dominated the minister, government spokesmen on this bill—I have to differentiate between government spokesmen and those in the government who have had the courage of their convictions, despite some dire consequences that might fall on their heads, and have spoken against this bill—and government supporters of this bill has been one of simply ramming it through the House and the committee. As the 80 per cent clause was not available to us, it was difficult to discuss the aspect of the bill yesterday.

● (1650)

After yesterday's announcement concerning *Reader's Digest*, one was able to detect a new mentality on the part of government supporters. They say, in so many words, that as the opposition has saved *Reader's Digest*, its objections to this bill should vanish. We oppose the way in which the government was going to force *Reader's Digest* to cease publication. But we also considered the effect of the legislation on other magazines. Should we not object to the objectionable features of this bill, merely because one magazine was saved by a back door deal? The government is saying, "Well, you have saved *Reader's Digest*; you have won half the battle. Why not take half a loaf and go home?" The point is that this is not merely a question of saving a magazine, *Reader's Digest* or any other magazine. The legislation is wrong, immoral and unacceptable. That is why we oppose it.

I sympathize with the aims of the hon. member for Fundy-Royal (Mr. Fairweather) in whose name stands motion No. 2. On general principle I oppose content regulations. Probably I can support Canadian ownership provisions. There is nothing wrong with saying that 75 per cent of a magazine should be edited or published in Canada, or that the majority, say three-quarters, of the board of directors should be Canadian. But I object to the principle of any content provision. I object to giving the government, the Department of National Revenue in this instance, the right to determine if content regulations are being obeyed and the standards to be used. I mention standards because the matter is not clear even now.

The minister complains that this debate has been going on for about one year. We have discussed it off and on, that is true, but the issue is more clouded now than it was during the committee discussion. Then, at least, we knew what we were debating. Now it is hard to interpret certain provisions, despite the intervention of the Minister of National Revenue (Mr. Cullen). On principle, I oppose content regulations. *Reader's Digest* and *Time* Canada discussed Canadian content with previous administrations. If my memory serves me correctly, about 30 per cent of *Reader's Digest* could be considered to be of Canadian content before Bill C-58 was introduced. *Time* magazine devoted five or six pages per issue to Canadian news. You must concede this, no matter what your views are on the establishment of another Canadian news magazine. Even without the statutory obligation to include material of Canadian content, those two magazines took steps to becoming more Canadian, without any legislative requirement. Evidently, past discussions with those two magazines were fruitful. Perhaps more discussions should have taken place, and perhaps the magazines would have increased their percentage of Canadian content.

To make clear the subject we are debating, the mover of motion No. 2 suggests in his amendment that a magazine should be considered as Canadian, for tax purposes, if more than half the content of any one issue, excluding advertisements, are Canadian, as defined by the Minister of National Revenue. As I said, I do not like content regulations. If this amendment passes, we shall know clearly the content requirement. At least we shall know what we are dealing with, what are the rules of the game. As things now stand, the minister can decide arbitrarily.

Using his discretion, he can introduce any regulations in this field that he wishes.

Passage of the hon. member's motion would mean that the content requirements are spelled out in the statute and we could debate them. Therefore, I hope hon. members will accept the motion, as the content requirements would be clearly defined. Frankly, I feel that the government has done a complete about-face with regard to *Reader's Digest*. The rules concerning the 80 per cent and 20 per cent relationship have been changed. The figure of 20 per cent now applies, apparently, to matters previously governed by the figure of 80 per cent.

I hope the government whips will allow government supporters freedom to exercise their rights. I hope hon. members opposite will be allowed to vote as they see fit on motion No. 2 or on the motion standing in the name of the hon. member for Ontario (Mr. Cafik). Acceptance of either motion would at least narrow the scope of debate and subsequent administrations would know the will of this House. Even I, with all my hang-ups about content rules, am willing to accept the hon. member's amendment so we may know exactly what we are debating. The hon. member for Ontario spoke well last night. His was a constructive, not a critical approach. He did not try to destroy what the minister had achieved. I think an accommodation could be reached with which members of this House could live. I commend the hon. member for his courage and for the clarity with which he spoke yesterday.

Finally, may I say a word about motion No. 3 standing in the name of the hon. member for Timmins (Mr. Roy). I should like to see the scope of his motion expanded to include scientific, medical, trade and agricultural magazines. I live in the naïve hope that the government will re-examine its position and allow the motions alluded to, or some of them, to carry in order to make clear what we are debating.

The Acting Speaker (Mrs. Morin): Order, please. I see the hon. member for Fundy-Royal (Mr. Fairweather) rising to speak. The hon. member did not move his own amendment. Since the hon. member for Edmonton Centre (Mr. Paproski) moved it in his name, the hon. member has lost the right to speak on the motion.

Mr. Faulkner: Madam Speaker, I do not know if the House is disposed to grant unanimous consent for the hon. member to speak. Certainly I am. He has been a principal spokesman on this issue, it is his motion, and I am prepared to recommend unanimous consent if the House is disposed to accept my recommendation.

The Acting Speaker (Mrs. Morin): Is this agreed?

Some hon. Members: Agreed.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Madam Speaker, I thank the House for its courtesy. I was in Peterborough, where an unruly student of Trent University classified me as the father of the red Tories. I was able to tell him that although I would be proud to accept that accolade, the title rightly belonged to Benjamin Disraeli, but that I would be glad to account myself as being of that noble line. So much for Peterborough. It is a long drive. My presence there accounts for my not being here last evening to present this motion.

• (1700)

I want to disabuse the mind of the hon. member for Provencher (Mr. Epp) and members of the House about any motives I have in respect of this amendment. It really falls under the conservative part of the Progressive Conservative label. All I was doing was attempting to put in statutory form the judicial interpretation that I have come across of the phrase "not substantially the same". I was being authentically conservative in this regard. Having said that, I hope anybody who feels that way will not now have any difficulty. The hon. member was kind enough to say that although he did not like the content provision in any measure, he saw the point of this amendment.

The minister took the trouble to give us a little of the history of this legislation. If he does not mind, I should like to remind him that at second reading stage I said I thought, in the case of citizenship qualifications, using the phrase rather loosely, it is time that both publications which are really the subject matter of this bill took out their papers at the Canadian court of citizenship. The hon. member who just spoke echoed this feeling. That was not the major preoccupation of our debate either at second reading or at the committee stage.

We were told by representatives of *Reader's Digest*, and this added to our dilemma, that there was no way they could comply. I must say that I hope I am not now breaking any confidence. On many occasions, when representatives of *Reader's Digest* came to see me on this issue, I asked as the spokesman for my party why they did not get into the marketplace and get rid of some of their shares. This is a footnote, but I happen to believe that just because one holds shares, control does not necessarily follow. However, that is a semantic or a numbers argument that I do not want to get into.

I am not going to argue with the minister that the 75 per cent figure does not represent citizenship, and I said so on second reading. If that is the government's determination, so be it. If that is an element of citizenship, it is time these publications took up their Canadian citizenship. There was an indication that they were unable to take this step.

We then had the events of the committee hearings and the protestations on behalf of *Reader's Digest* to the effect that they could not comply with Bill C-58. The pressure was on all of us. I think the minister was generous in alluding to this in respect of his party and the opposition party, all of whom had a genuine interest in trying to see that once the element of citizenship had been fulfilled, these magazines would be able to continue publishing.

I have not been convinced or understood, no matter what people have said in this debate, that a much more simple and better way could not be found to deal with this matter of inexpensive material being used by *Time* and *Reader's Digest*. It is curious how this keeps coming up throughout the debate. I am not convinced that a more simple way of dealing with this material could be by handling it under the anti-dumping legislation. I think a review of the history of this legislation and prior legislation will show this to be the fact.

Time Canada could well have paid a higher price for the material it uses in its magazine, but this would of course have deprived the coffers of Canada of substantial amounts of money. The minister may not think this is a valid point, or one in respect of which he should comment. It was my understanding that the arrangement was made some years ago that these magazines were getting material at well below cost, but that the coffers of Canada, of the Crown, were benefitting. Certainly the government is justified in changing its opinion as priorities change. Those of us who feel deeply about the continuation of Canadian publications felt that mere tax dollars were not sufficient justification for having material dumped.

Perhaps the minister and others may think I am taking a bit too long to say that the anti-dumping legislation is in place, and that techniques could easily be put in place so that the material *Time* Canada is using could be dealt with under that legislation. We were told in argument that this would be an interference with the flow of information, We were told that we would have to believe that the 80 per cent rule was not interference, but that the anti-dumping legislation would somehow be translated into interference. Perhaps I was not in Peterborough long enough to understand the subtlety of that argument.

The minister quoted Doris Anderson. She is one of the people in Canada who over the years has been terribly sensitive on the issue of healthy Canadian publications. I want to believe that those who are so anxious about the survival of Canadian periodicals are equally concerned about the monopoly which will ensue if all the publications in Canada are housed under one publisher. That is perhaps not as fundamentally serious to the future of publications in Canada but it is a very major problem for the Secretary of State and his department. Let there be no mistake that I, for one—and many others—will be deeply disappointed if, as a result of all the agony we are going through, all the hearings and debate—and, if I may say so, a fair amount of cries of anguish—all we have done is enhanced or furthered one or two Canadian publications.

At second reading, and I think the minister will not mind hearing this again, I suggested there were a couple of things he could do now to help Canadian periodicals; and that was not six months ago. The first thing I suggested was in respect of the matter of postage. The second thing was that the Crown, as landlord of all these station and airport facilities for the distribution of magazines, could easily make it part of the leases that Canadian magazines have a fair opportunity to purchase. That does not say they will purchase, but an arrangement could be made in the leases to see that Canadian publications have a fair proportion of the exposure, something more than the 5 per cent which is now the case. I have no reason to doubt the minister's figures, but it is a terrible indictment on all of us that 95 per cent of the publications on the newsstands are American.

The minister said, and again I am not going to dispute this because I have no evidence, that the press release which was put in our hands yesterday was not the result of any deal. I am not using the word "deal" in any pejorative sense, nor am I being critical. But, obviously, representatives of *Reader's Digest* and of the Minister of National Revenue (Mr. Cullen) must have had some discussion and tested a formula—that is perfectly right; there is no reason why they should not—otherwise *Reader's Digest* would not have been able to make the statement it did.

● (1710)

But let us say the hon. member for Fundy-Royal believed all the evidence given by periodicals and èbelieved the minister's own evidence before the standing committee. The minister surely did not say that the *Digest* could not survive, but the Canadian periodical industry certainly said that unless legislation based on the 80 per cent formula was part and parcel of government policy, *Reader's Digest* and *Time* would continue. Now we find that despite all this, *Reader's Digest* finds it can continue. The minister would surely agree that this places us in a peculiar position. One wonders whether all the discussion which has taken place, all the evidence and all the hearings were not really a waste of time. I do not think the minister should be surprised if we are taking a day or two to discuss this new situation. Presumably, this is what was in the mind of the hon. member for Edmonton-Strathcona (Mr. Roche) when he suggested the committee should have another crack at hearing about the arrangement.

With reference to my complimentary remarks about Doris Anderson, I would be very interested to see—I do not suppose the mails have brought this yet, but perhaps the telegrams have started to come—what Mrs. Anderson thinks of the arrangement *Reader's Digest* has made with the Department of National Revenue. Will she write another letter to the *Globe and Mail* saying, "fine, the Canadian Periodicals' Association is happy to welcome a new citizen," a new member, presumably, of the association. Let us be fair about this. Has the mail begun to pile up? Has the minister received any telegrams?

I have another point to make. It is quite a serious one and I hope that before the debate on motion No. 2 is concluded the minister or one of the members opposite speaking for him can answer a rather important question. What arrangements concerning a time-frame have been made between the Department of National Revenue and the Canadian edition of *Reader's Digest* so that the *Digest* can get itself into the new form which will meet the test of the content rule? Will there be an interim period during which the *Digest* does not qualify and is, therefore, beyond the law if this law passes in the foreseeable future? Or will *Reader's Digest* Canada be allowed a transitional period during which it can come aboard, so to speak, and make the arrangements which are necessary?

As I understand the press release, the attributes of citizenship, for example, the selling of 45 per cent of the shares to make up 75 per cent, as is necessary under this bill, could not be accomplished immediately *Reader's Digest* could not be expected to do this in the month of February, and presumably it would take several months for *Reader's Digest* Canada to put itself into the position of being acceptable within the content rule and other parts of section 19 of the Income Tax Act. The minister apologized; he has left the chamber. The Minister of National Revenue is not in the House. But I would hope that before the debate on my amendment, No. 2, is concluded somebody on behalf of the government will satisfy the House in this regard because a matter of fairness is involved.

No matter how vigorously the government is opposed, citizens in a democratic state expect there should be fairness shown to all, so the House is entitled to know what time-frame has been allowed to *Reader's Digest* to come on board as far as content, ownership and such matters are concerned. If that question could be answered we would soon be ready, I presume, to vote on my amendment. What I have attempted to say—and I have tried to do this without a series of elegantly drafted notes—is this: I want to know the time-frame for *Reader's Digest* because it is my expectation that a fair and small "l" liberal government will be granting the same transitional period to every publication requiring time to meet the test of section 19. If I could be sure that the same transitional arrangement is to be allowed others in order to join this happy group of new Canadian publications, we would be able to proceed quite rapidly.

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, my first temptation is to take the compliments of the minister and run. I hope he will feel the same way after my contribution, on a point of principle, today. At any rate, I thank him for his generous remarks. I wonder what his reaction was when he heard that *Reader's Digest* would, indeed, comply. He indicated today that he received the news with pleasure, but I wonder whether deep down it was really so and whether we have really reached the end of this question.

The minister began by saying he was not a professional journalist or publisher, and that in those circumstances he had to take the advice of people who were. I will begin by mentioning two people who are professional journalists—Geoffrey Stevens and Charles Lynch, two of our most respected reporters. What do those professional writers tell us? I am sure the minister knows that these people do not support the bill. They decline to do so on important questions of principle. I wondered how the minister would respond to the *Reader's Digest* announcement and I think perhaps Geoffrey Stevens had it right when he said this:

● (1720)

> Beyond that, there is the question of what happens if *Time* somehow manages to survive and continues to attract Canadian advertising. A prediction: the government, having taken one highly discriminatory step with its 80 per cent content rule, would be hard pressed to resist taking another even more discriminatory action to get rid of the magazine.

I suspect that might well be so, and it concerns me. It concerns me that the principal steps, many of them very good steps that I support, might be taken to excess and be one more step down the road to what Charles Lynch says is manipulation of content. That is the angle that concerns me. He said:

> Indeed, news is being manipulated in many countries but Canada is not one of them. For us to join the list would be very bad business.

I share that concern, Mr. Speaker, and in talking to it, if I use overstatement or political licence excessively, I apologize. But I do so only to make this point of principle. When I was in India only a few months ago, the Speaker of one of the state legislatures in that country stoutly defended Mrs. Gandhi's emergency measures and her admonishments of an irresponsible press. He reassured me that I need have no concern regarding democracy and freedom of the press in India because Mrs. Ghandi was a true democrat and these stern, non-legislated controls would soon be lifted. Four months later the same Speaker saw his own legislature permanently dissolved by the central government, and legislation for the complete censorship of the press passed and enacted, all within the framework of a democratic constitution by a leader espousing and extolling democracy as the justification for her actions.

I am not suggesting that we are anywhere near this kind of situation in Canada, but even the smallest move in this direction of interference should be observed, enunciated and put to rest; because a democratic principle must always take precedence over an expedient one, no matter how important an issue the expediency might resolve. I suggest that tampering with content is tampering with the democratic principle in order to accomplish an expedient end. The expedient end I might even agree with, but even if I were to agree with it I could not compromise my principles and I do not think the minister could either.

I would agree that those who protest the content regulation are using considerable political licence when they call the content move outright censorship. However, if it is not outright censorship it is a form of restriction which inhibits and suppresses, a position perilously close to censorship. The initial steps toward censorship in any democratic state are usually orchestrated slowly and subtly. In India, in November, no specific legislation existed to exercise this power, but the press was warned and knew that their editorial and story line must be "substantially the same as" that of the government and more than "80 per cent substantially different" from that of the previously so-called irresponsible press. This unlegislated, yet insidious moral suasion in India largely accomplished its aim, and after several months of "80 per cent substantially the same" government line a final legislative death-blow to the press was easily accomplished, the press having fallen victim to its own unwilling axe.

I ask the minister to examine carefully his own use of insidious moral suasion, and suggest that this legislation, through its content rule, might be the exercise of the sort of power I have referred to. I ask the minister, would *Time* magazine dare print today an anti-government story in recent editions, or would such moral suasion encourage them to feature the Prime Minister (Mr. Trudeau) on the front of their magazine and suddenly find its Canadian section important enough to feature lavish, full colour photo coverage of the Prime Minister's travels? Or would it be possible that we might see CTV news suddenly downplaying the role of opposition members and promoting government members and programs? I would say probably not, because they know that earlier a prominent pro-Canadian member said that there is not, and could not be, any question of interference with the press in so far as the dissemination of news and opinion is concerned. "I know that no Liberal government would ever think of doing so"—so said the famous Walter Gordon in 1965. It was to his credit, as a nationalist, that he said we must not tamper with the press and its content in any way. Yet that is what we are doing today. I am sure he would share my concern and the concern of other members in this regard.

Certainly the minister should be watching closely that vested interest remains the dominating consideration in the passage of this legislation, rather than the control of

content for some lofty nationalistic, Canadian objective. Even by touching the issue of any form of content legislation or regulation the government is setting itself on a dangerous course. I would urge it to reconsider.

The Secretary of State (Mr. Faulkner) says it is important to understand that "not substantially the same" does not refer to subject matter. Well, what does it refer to? The colour of the ink? It seems to me that "content" and "subject matter" are substantially the same type of synonym. The amendment is a very difficult compromise and I shall vote for it with great reluctance. While I would vote for the amendment with great reluctance, favouring the 60 per cent rule, I would vote against the legislation if any concept of content control is to be found in the legislation, on the basis of the infringement of a basic democratic principle. I ask the minister to consider that carefully.

In Canada we are a long way from India but only a short step away from legislating a highly dangerous precedent on the route to content control. When the minister said that we want a situation where there is no interference in the freedom of Canadians to read *Time* and *Reader's Digest*, I am sure he would add "or any material of their interest". But if interference does result in the material not being available, obviously we defeat our purpose. Does the minister have evidence from *Time* Canada that the magazine will be available to read subsequent to the passage of this legislation? Unfortunately, negotiations seem to be going on outside the House and committee and we must read the results in the press. Having read the results and found that *Reader's Digest* can live with the legislation, let me ask the minister whether similar negotiations are going on with *Time*. Will *Time* actually survive, as *Reader's Digest* will, in his opinion? If it will not survive, then he is indeed infringing the rights of Canadians to read material of their choice.

I am pleased that the minister sees this bill as part of an attempt to define Canadianism. I am also pleased that we are proceeding to a further type of definition of what is Canadian and what is a Canadian magazine. Were he to move toward ownership, publishing control, and so forth, I think all Canadians would be pleased. But he is going further when he tampers with content. I feel confident that the minister, because of his integrity, does not like this content provision any more than the rest of us in this House. I am sure he shares the principle of non-intervention and that he would like to find some other way.

I am not suggesting the other way that he might find, because I think his search will be long and hard. However, I ask that he not give way to expediency now, that he take out the content section of this bill and immediately assign to a committee terms of reference to the effect that it should find a way other than content.

● (1730)

Let us listen, perhaps, to some of the suggestions of the hon. member for Fundy-Royal (Mr. Fairweather), but above all let us take the great principles that have been advanced in this bill and keep them, and let us not tarnish the bill with an attack on content, on whether it is censorship or whether it inhibits. Let us take this out and then go ahead and bring the bill into play in the interest of Canadian culture, Canadianism and the principles that were enunciated and supported earlier at second reading.

Mr. Howard Johnston (Okanagan-Kootenay): Madam Speaker, I enter the debate at this report stage with some sense of urgency as we discuss this regressive and depressive step which has been resisted by many thinking writers in Canada whose professional qualities, I think, should certainly appeal to the minister and whose words should be read very carefully by him and the officials of his department.

The bill was fought out in the committee in a way that not many bills are. The minutes will show this. They will also show that on several occasions it went beyond comedy and into farce. The hon. member for Vancouver-Kingsway (Miss Holt), has already alluded to some of the difficulties presented to some hon. members in attempting to be heard during the committee study. One has great difficulty in knowing what most of the points of the committee study were, but I think a point of some kind was raised when the minister fled the meeting as the hon. member for Vancouver-Kingsway was about to speak. She was only able to speak because of the gracious motion of the hon. member for St. John's East (Mr. McGrath) that she be heard.

We again saw some rather strange developments in the history and transition of the committee stage during the study of Bill C-58. Any of the authorities on the Canadian parliamentary system who hail the committee system as being the one thing that would save this institution, or that would greatly assist this institution in its deliberations, should read the minutes of the committee as it discussed Bill C-58.

I think it is very important that the rules be grounded in law and that we should consider the point raised by the Leader of the Official Opposition (Mr. Stanfield), that we must indeed pay most careful attention to this question. It is very easy to slip away from "substantially different" into saying 80 per cent, 50 per cent or 20 per cent Canadian content. Again, I think a reading of the minutes of the committee will show that that slip was made frequently both by members and by witnesses. One would suspect, still, that the intent of the bill and the intent of the formula submitted by the Minister of National Revenue (Mr. Cullen) is really obscured by the term "substantially different" and there will be a gradual transition by which it will be interpreted as Canadian content with all that that implies.

I take no pleasure in noting that *Reader's Digest* has made some kind of a deal with the government. I expect it was easier for the *Reader's Digest* to do so partly because, to its credit, it has gone a long way in Canadianizing its operation and making its publication a forum for Canadian writers, and also because of the very nature of the digest aspect of the publication. A reading, again, of the minutes of the committee when certain questions were asked about what would constitute "substantially different" qualifications would lead one to suspect that a possible way around this provision would have to do with the timing of the publication, and whether this might be the road to take or a loophole in the legislation that has been found.

Again, I think the call of the hon. member for Edmonton-Strathcona (Mr. Roche) is worth considering, because it

would be helpful to the committee and certainly to the House in these final stages of debate on the bill if we were to know just what the arrangements are in respect of *Reader's Digest*. In all of this, I think we are still missing the basic reason for the situation to which the minister alluded in his remarks when he pointed out that 95 per cent of the publications read in Canada come from outside the country. The hon. member for Fundy-Royal (Mr. Fairweather) picked that up and said it was to our shame. On one level, that is true. Certainly, on another level it is not, because I do not think the problem all along really has been one of content. It has been one of tone, style and appeal to basic values which I believe are still basic to the Canadian way of life.

The problem for any journal or any publication in Canada is to gain and to hold readership. That is the problem, because advertising depends on readership and not on tax concessions, in the last analysis. It depends on the power of the publication to deliver an audience to the advertisers. We tend to lose track of that over and over again, but that is the basic question. We have the problem in respect of Canadian publications which blithely set about losing their readership and then cry for government intervention in order to save them from bankruptcy. When we had the debate on second reading, I referred to *Saturday Night*. It, coincidentally, had been restructured at the precise time of the debate.

I went through the first of the resurrected issues of *Saturday Night* with a good deal of pleasure. I made reference to the timing and said that they were on the right track. I was not being entirely facetious when I complimented them for having printed a poem which rhymed. This created a bit of a response from the editorial office of *Saturday Night*, because they said they never print poems which rhyme. They said that the hon. member for Okanagan-Kootenay was so illiterate that he failed to notice this. However, someone spotted the fact that it rhymed once. The author of the poem immediately wrote to *Saturday Night* that her poem contained ten rhymes which were missed because many of them were internal to the structure of the poem and were not strictly at the end of the line. The editor said he found only one after a close, textural study of the work.

● (1740)

Again, the question here is one of editorial policy and editorial judgment. It is not really a question of censorship at all, but of deals that are made between authors and publishers. They are made by editors who decide on the tone of the publication, and through that the authors learn what their chances are in the market. It is with enormous disappointment that I read recently the October, 1975, issue of *Saturday Night*. I could read it only recently, Madam Speaker, because of the most unhappy mail strike which went on and on. Believe me, the worst aspects of the mail strike were not simply that I could not read *Saturday Night* until just a week or two ago; there were far worse aspects to it. In all of the debate about content, readership, and so on, we tend to overlook such basic and fundamental questions as postal rates, which play such an important part in the demise of far too many Canadian publications. When one looks through this issue, one can see what the problem is in terms of Canadian content. The content is as Canadian as can be and it is substantially different because nobody else will print much of it.

At the beginning we find the editor, Mr. Fulford, making his comments in a long article on John Herbert's play "Fortune and Men's Eyes", a play which deals with the sordidness of prison life and deviations, homosexuality in particular. It is not everybody's cup of tea. Then he has a second article about developments in the school system in Ontario, and he takes a knock at oversimplification in a typical school text. It happens to be full of praise for the English language. He says that today English is likely to be the only language in common for educated men, that English is spoken in Great Britain, the United States and the Commonwealth, and may yet prove to be—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member knows that we are on motions 2 and 3. Perhaps he could limit his comments to those two motions.

Mr. Johnston: The motions refer to the whole matter of the 50 per cent "substantially different". I feel, with due deference, that what I am saying is germane to this topic because surely we would not have Bill C-58 if the kind of problems I am suggesting here did not arise. There has been a lapse of time since the second reading debate. The bill has gone through the committee and has been pushed forward willy-nilly by the government. There has been no reason for any Canadian publication which has looked to a boom in its readership once Bill C-58 has been passed, to be pessimistic, because I think they saw that the government was determined to ram Bill C-58 through second reading, through the committee, through the report stage and through third reading. So, with deference, I feel that what I am saying is germane to the topic because of the lapse of time between second reading and the changes that have occurred with regard to this publication.

I will attempt to be brief. There is an article by Singer and Rodgers on mercury, the hidden poison in the northern rivers. This is a sad story which shows little knowledge of either Canadian native Indians or of the people of Japan. There is also an article about two artists, the Bobaks. I have nothing but praise for it. I own a Bobak print myself. To quote Bobak: "Anglo-Saxons hate to get too personal, too intimate". This is putting a finger on what has been one of the problems in Canadian journalism. Doug Fetherling has an article entitled "Portrait of a Canadian actress waiting for something to happen", who is quoted as saying, "Canada is the country that taught me to be paranoid". I checked the suggestion, the individual responsibility. The idea that a nation does things to individuals within it is too simple altogether.

George Woodcock writes on the perils of freedom in India. This has already been alluded to by a previous speaker, so again I am sure it is very germane to the topic we are discussing. To quote again: "Mrs. Gandhi set in motion the same mechanism of a responsible tyranny which the British used to combat". Yet surely since the trial of Warren Hastings no British rule in Canada could be described as irresponsible because he was called to the bar of justice in a famous trial. Martin Knelman writes on the ghost of "Seven Days" which still mocks the CBC. He refers to the parliamentary committee which studied that program, but he shows no evidence of having read the

minutes of the committee which investigated that particular matter.

There is an excerpt from Robertson Davies' "World of Wonders", and again there is nothing but praise for the totality of Robertson Davies' three part trilogy which may yet be the great Canadian novel, or be considered as such; but it deals with a sordid episode of sexual deviation. Anne Hardy is tough on Alberta. She writes on dining and says that one cannot expect to find good restaurants in English Canada. So much for the third force on the prairies. I am sure that when this issue is read, various readers will decide that that is the last issue of *Saturday Night* for them. Worst of all, there is an article by Mordecai Richler, reviewing The Swastika and the Maple Leaf, in which he renews the suggestion that a governor general of this country, Lord Tweedsmuir, better known as John Buchan, the novelist, was anti-Semitic. I would rather go to the gas chamber than read the quote that is attributed to him. The author put words in the mouth of a character in chapter one of his book "The Thirty-Nine Steps", which was written in 1915, and Richler uses those words to prove that John Buchan was anti-Semitic.

The Acting Speaker (Mrs. Morin): Order, please. I am afraid the hon. member is straying too far from the subject.

Some hon. Members: Hear, hear!

Mr. Johnston: Again, Madam Speaker, may I say, with deference, that I realize that the points I am raising are upsetting, but the point I am making now is that the reader of this publication will be upset by what he reads. I do not know at this moment on which side of the argument Mordecai Richler was, but we have had a great deal of comment from the minister himself and from others on professional writing and writers. Surely this is germane to the argument, because there are people in this country who continue to revere the memory of that governor general who died in office, and it is almost impossible to come to his defence even in this chamber. Yet he killed off that character at the end of the first chapter.

Some hon. Members: Order.

The Acting Speaker (Mrs. Morin): Order, please. I am afraid the hon. member's time has expired.

Mr. Gordon Towers (Red Deer): Madam Speaker, earlier today, on the advice of Mr. Speaker, I raised a question on a point of order relating to the deduction of advertising expenses for income tax purposes. At that time the Secretary of State (Mr. Faulkner) stated that he thought the answer to the question was yes. I asked for an unequivocal yes because I think it is of utmost importance to producers of Canadian livestock to know exactly where they stand as they advertise in these publications, because of the fact that they will not know until a year from this April whether their expenses will be legitimate or not.

● (1750)

It seems to me that it would be logical to put legislation in place for the benefit of the industry so that those people will know they will be protected. We can accomplish this by passing just a subamendment to the amendment we are discussing at the present time, motion No. 3. At the conclusion of my speech to-day I propose to move that subamendment.

My reason for moving this subamendment is that the Department of National Revenue was not in a position to give an unequivocal yes to the question I asked. The question is, can the Minister of National Revenue (Mr. Cullen) state unequivocally that Canadian producers of purebred and exotic livestock will be permitted to deduct costs of advertising in the United States as legitimate expenses for income tax purposes in Canada? The question is that the producer may be called upon to prove that his is a legitimate expense, and he must prove it under clause 1 where it says:

19. (1) In computing income, no deduction shall be made in respect of an otherwise deductible outlay or expense of a taxpayer for advertising space in an issue of a non-Canadian newspaper or periodical dated after December 31, 1975, for an advertisement directed primarily to a market in Canada.

The key words there are "advertisement directed primarily." It could well be that there is not another magazine, periodical or newspaper which would sufficiently advertise the product which the producer has to offer, whether it be young animals or older animals, and it could well be that the producer might go to a United States periodical which is circulated in Canada. He might sell a small percentage, 10 per cent or 15 per cent—it does not really matter; we do not need to discuss figures—in the United States, but the major portion of his sales would be made in Canada. This bill says "advertisement directed." It could well be that while this periodical covers a greater part of the North American continent, this particular advertisement could be directed to people in Canada because of the geographical location of the product which is for sale and also of the purchaser.

This bill is open to interpretation. This is the problem I have had with this legislation right from the start. The Minister of National Revenue, when he spoke about "not substantially the same", said yesterday that it would take time to bring in a ways and means motion to set this up by statute so that we would then know what we are talking about. There could be a great deal of difference between what the Minister of National Revenue, the Secretary of State and I think "not substantially the same" means. It is because of this individual interpretation that we are having problems with this legislation. This is of fundamental importance and individual interpretation is not necessary because it could be spelled out by legislation, and that is what is wrong here. When we are dealing with something of such magnitude, the government is doing a disservice by bringing in legislation to be administered by interpretation rather than by statute.

Yesterday the minister also used the phrase "continuing arrangement." Goodness me, "continuing arrangement" can mean a great deal to a great many people. It might even mean the consummation of marriage between two people. It could mean many things. I do not think the government is performing a useful function when it asks us to accept such vague terms. It boils down to the fact that this is just one man's interpretation, and this is causing a great deal of trouble.

I could go on in this debate, and I hope I will have the opportunity to go into further detail, but at this time I should like to move my subamendment so that Mr. Speaker

will have the opportunity of looking at it and of seeing whether it is acceptable in his judgment. If it is not acceptable, I still should like to have the opportunity of presenting my argument to the House so that it may be fully considered because of its very great importance. I have other things to say on this matter, but because it is almost six o'clock perhaps I can have that privilege at another time.

I therefore move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That the amendment be amended by deleting the words "scientific or medical subjects" and by substituting therefor the words "scientific, agricultural of medical subjects."

Madam Speaker, may I have the privilege of debating this at another time, if you see fit to accept this subamendment? May I call it six o'clock?

The Acting Speaker (Mrs. Morin): It being six o'clock, I do now leave the chair. This House stands adjourned until tomorrow at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 5, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

REQUEST THAT MILK PRODUCERS EXPLAIN PROBLEMS TO COMMITTEE IN ATTEMPT TO FIND SOLUTION—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to introduce a motion on an important issue of pressing necessity.

Considering that since April 1975, the Canadian Dairy Commission has been applying measures that have placed the producers of industrial milk in a more than precarious position, may I, Mr. Speaker, request this House to give this motion very special attention. I move, seconded by the hon. member for Elgin (Mr. Wise):

That this House unanimously request the Minister of Agriculture to call before the Committee on Agriculture representatives of the Canadian Federation of Milk Producers and provincial bodies concerned, for them to explain to committee members the problems they have to face, and, at the same time, to help the government find a solution equitable for all.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

SOCIAL SECURITY

PROPOSAL TO MAINTAIN ESCALATION OF FAMILY ALLOWANCES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of certain disturbing reports in relation to this week's conference of federal and provincial welfare ministers, I ask leave under Standing Order 43, to move a motion which I believe is appropriate. I therefore move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House urges the government not to present the provincial governments with a trade off between the annual escalation of family allowances and any proposed guaranteed income or income supplementation benefits, but that the escalation of family allowances, as provided by itself in an act of parliament, be reinstated forthwith.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

EXPRESSION OF SUPPORT FOR PRINCIPLE OF NON-INTERVENTION IN INTERNAL AFFAIRS OF ANGOLA—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise to present a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. On January 5, 1973 this House approved a motion proposed by the government asserting the strong support of this chamber for the principle of non-intervention in the internal affairs of other countries and censuring a country which appeared to have violated that principle in respect of the Viet Nam conflict.

On the assumption that hon. members on all sides of this House wish to remain consistent in the application of that general principle, I move, seconded by the hon. member for Hillsborough (Mr. Macquarrie) and hopefully supported by the right hon. Prime Minister (Mr. Trudeau):

● (1410)

That this House noted with grave concern the continuation of the civil war in Angola and deplores the large scale intervention by other states in this civil war; is aware of the fact that the war is being prolonged by outside intervention, thereby increasing the suffering of the Angolan people; welcomes the declared intention of the government of South Africa to withdraw its troops from Angola, as it is believed to be doing at this moment, and calls on the government of Cuba to do likewise; urges the MPLA, the FNLA and UNITA to call a ceasefire and to conduct negotiations with a view to reaching a political settlement acceptable to all parties, and requests the government to convey the text of this resolution to all participants in the Angolan civil war including those who are providing arms, munitions and war materiel, and to the United Nations.

Mr. Speaker: Order, please. The motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

An hon. Member: Who said no?

Mr. Diefenbaker: Liberal members said no.

Oral Questions

ANTI-INFLATION BOARD

SUGGESTED PROCEDURES FOR CLARIFICATION OF REGULATIONS—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to put a motion of urgent and pressing necessity. The motion is necessitated by the growing confusion amongst the business community over the interpretation of the Anti-Inflation Act regulations. While everyone realizes that the regulations are necessarily complex, it became clear during the cross-Canada Anti-Inflation Board seminars that many professional accountants found the regulations confusing and misleading. Companies unable to afford professional accountants find themselves awash in a murky sea of legal and financial jargon. Considering that business must understand the regulations—

Mr. Speaker: Order, please. Pursuant to Standing Order 43 each hon. member who seeks unanimous consent ought to be given the opportunity to explain as briefly as possible the urgent nature of the motion. However, I think we ought to be careful that we do not drift into a situation in which the explanation becomes debate. I would urge the hon. member to put his motion.

Mr. McKenzie: Thank you, Mr. Speaker. Considering that business must understand the regulations before making a sincere effort to apply them to their operations, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That this House direct the Anti-Inflation Board to move expeditiously in clarifying the government's anti-inflation regulations by conducting additional seminars, by disseminating interpretation bulletins and by distributing a clean and concise manual of procedures that business may follow.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

An hon. Member: Who said no?

Mr. Speaker: Oral Questions.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN CONSTITUTION

REQUEST FOR REPORT ON PROGRESS IN FINDING AMENDING FORMULA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister arising out of what he said in this House on October 2, 1974 when participating in the throne speech debate. With respect to the amending procedure of our constitution he said:

[Mr. Diefenbaker.]

. . . it is time to decide that this will be done and that we will settle on an amending procedure within four years.

Could the Prime Minister indicate very briefly where the process stands, what is going on and what progress has been made in general terms?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, in the course of that debate I did utter those words. The Leader of the Opposition will remember that it was in response to his own urging that the government should get on with the problem of repatriating the constitution.

Mr. Stanfield: I was too modest to refer to that this afternoon.

Mr. Trudeau: Modesty is not the usual approach of the hon. member, although he sometimes feigns it.

An hon. Member: You don't even feign it.

Mr. Epp: You would not recognize it if you saw it.

Mr. Hees: Don't be shy, Pierre.

Mr. Trudeau: I can assure the hon. member for Prince Edward-Hastings that after having skiied somewhat with him I am not shy. I think he should be the modest one.

Mr. Hees: I have always been shy and retiring.

Mr. MacKay: You are going downhill faster than Hees!

Mr. Trudeau: I think they missed it up there. You had better repeat it.

Mr. Crouse: You are going downhill faster than he is.

Mr. Trudeau: I discussed this first at a meeting of premiers which took place about one year ago and got general agreement from all of them that we should, indeed, proceed with the repatriation of the constitution in the course of the next few years. I was talking about the life of this parliament, and I would say there was general agreement that we should concentrate on repatriation and on the formula of amendment rather than re-open the whole series of discussions on jurisdiction under the British North America Act, sections 91 and 92. There was general agreement along the lines that we should attempt to work out a solution which would permit repatriation, without any premier binding himself to such an absolute. That was the thrust of the discussions with which the federal government was encouraged to proceed.

Following that there have been a great number of meetings between federal officials and officials of all provinces, I believe, except one. There have been few discussions at the ministerial level, and certainly no collective ones. At this stage I can only say that it is our hope to find a formula upon which all provinces will agree, and I hope that that will be done, certainly, before the end of this parliament. I am quite determined to see that it does happen.

Mr. Stanfield: A supplementary question, Mr. Speaker. I will not ask the Prime Minister for disclosure of any details which might be inappropriate at this time. Indeed, I

will even resist asking him if he is wrestling Mr. Bourassa to the ground. Can he indicate generally if he envisages a first ministers' meeting to pursue the discussions taking place at the ministerial level at present? If so, can the Prime Minister indicate, in general terms, when he expects discussions to resume at the first ministers's level, so that, as he said, this problem can be dealt with and this challenge met during the life of this parliament; or, to use another phrase he used during that debate, before we, in this parliament, disappear from the scene?

Mr. Trudeau: Mr. Speaker, I think the best answer is to say that I do not envisage a meeting of first ministers on this subject unless I see the solution in sight. I do not want to put the government of this country, the governments of the provinces and the people of Canada through the long process of expectation, namely, that we can find a formula on which all would agree if such formula is not possible. The House will realize that since 1926, some 50 years, federal and provincial governments have been struggling to bring the constitution back to Canada, and every time this has failed for some reason or other. I would not want to waste the time of parliament or of the premiers by getting them together to embark upon another long series of discussions in order to repatriate the constitution. I am hopeful that the behind-the-scenes discussion going on at the official level will permit us to find a formula which is acceptable. It would mean, of course, confirmation by the premiers and, most important, submission to parliament, for the approbation of such formula.

I appreciate the Leader of the Opposition's discretion in not asking about the details. I think this approach is very helpful. I think I owe it to him to indicate that we are looking at the type of amendment formula which was discussed at Victoria, but not at the whole bag which was discussed at Victoria, in which many other subjects were included. We are looking strictly at the amendment formula or some variation of that.

Mr. Stanfield: Mr. Speaker, may I ask a final supplementary question? I think the Prime Minister has already created the expectation, in the sense that he expressed his determination almost one year and a half ago to see an amending formula adopted. Now, one year and a half later, I should like to know in view of these discussions going on if the Prime Minister can see light at the end of the tunnel? Is he encouraged to believe that he will be able to present a formula to the first ministers and to parliament during a reasonable time? I ask this because I would like to see this question settled before I leave parliament which, of course, will be within the end of this parliament. Can the Prime Minister say whether he is encouraged after the discussions that have taken place or, rather, is it a question of a stalemate?

● (1420)

Mr. Trudeau: Mr. Speaker, I regret that the Leader of the Opposition indicates that I am creating expectations. Surely, the answer he is asking me to give can only increase those expectations or shatter them, which is a position in which I do not want to put myself. If any expectations were created back in October 1974, they were shared jointly by us when we both expressed the idea that after 50 years of effort, surely the Canadian people should be grown up enough to be able to agree on a method of bringing our own constitution back to this country.

Some hon. Members: Hear, hear!

Mr. Trudeau: I regret that a statement made in Quebec by members of the Quebec government has put this into the public domain in order to put discussion of it at that level. I repeat, I do not think it is worth wasting our time on. If I cannot find from the officials at bilateral discussions that Quebec, since it put this into the forefront, is prepared to agree with a reasonable form of amendment, I do not think I would waste the time of the House on protracted debate which would end up like another Victoria or Fulton-Favreau formula or another series of agreements which would fall to the ground at the last minute. That is our position.

We are still discussing in an informal and private way and I hope that we will get positive results. If we do not, I imagine the Leader of the Opposition or his successor and the leaders of other parties and myself will then have to ask ourselves do we want it to happen before the end of this parliament or should Canadians be invited to wait another 100 years. However, let us not ask ourselves that question until we know whether present discussions are fruitful.

Mr. Baldwin: Are you getting any ideas from Mrs. Gandhi?

POSSIBILITY OF AGREEMENT WITH PROVINCES ON METHOD TO ACCEDE TO UNITED NATIONS CONVENTION ON CIVIL AND POLITICAL RIGHTS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I would like to ask the Prime Minister a related question about one aspect of the constitution. It has to do with the United Nations convenant on civil and political rights. Here perhaps our expectations might not need to be 100 years or even the life of this parliament. Can the Prime Minister tell us if Quebec and other provinces have now agreed on a method by which Canada could accede to this agreement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there was a federal-provincial conference on this very subject, in December I believe it was. The Department of External Affairs convened a conference. The report I had was that any outstanding hesitations by provinces to permit the federal government to ratify had been overcome and that we were proceeding with the working out of the precise wording of the agreement then reached. The Secretary of State for External Affairs, the Minister of Justice and the Secretary of State are, I believe, the three ministers involved. If they can report progress at some point, I will ask them to do so. However, we have great hopes that at long last, and I would sigh with relief along with the hon. member opposite, we will be able to proceed with ratification in spite of the difficulties which we faced thus far.

Mr. Fairweather: Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs. Is it now the position that the provinces will have

a place on the monitoring or report committee of the United Nations when human rights infractions are within the provincial domain? Has there been a modus arrived at so that provinces, through the federal umbrella, can be represented? Is that the point that is the holdup?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, what the Prime Minister has said is an accurate description of the situation. With respect to the precise methodology of the provisions for provincial participation I might say I am meeting with Dr. Cloutier the minister for intergovernmental affairs of the Province of Quebec tomorrow, and this is one of the items I hope to raise.

* * *

ENERGY

ALLEGED ARSENIC AND URANIUM CONTAMINATION OF LAKE ONTARIO AT PORT HOPE BY ELDORADO—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. It pertains to the continued pumping by Eldorado Nuclear each day of hundreds of gallons of water containing uranium and arsenic into Lake Ontario in the Port Hope area. I am addressing my question to the Prime Minister since it was obvious yesterday that the minister responsible is unfamiliar with the situation. Considering that Eldorado Nuclear has confirmed that this is not a casual run-off, as the minister suggested yesterday, but rather that the water is flowing, as I said, at a constant rate of hundreds of gallons per day, and bearing in mind that the federal government itself tabled a report last July indicating that this flow was unacceptable, I should like to ask the Prime Minister, having in mind his expressed concern that measures be taken against pollution, whether he will take steps to bring this to a halt immediately?

Right Hon. P. E. Trudeau (Prime Minister): It seemed to me that the exchange yesterday indicated that it was the hon. member rather than the minister who was misinformed. I am glad the delay has now provided him with an opportunity to ask a more precise question and I am sure the minister will be able to answer it.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): If I understand the question, let me deal with it in this way. I referred to run-off because that is precisely what the water is. There is a catch-basin there which collects rain water and melted snow water. That water is caught and then pumped out into a pipe which goes out into the lake some 50 feet from shore. Ever since 1962 the effluent there has been monitored and if the hon. member would care to refer to a report which was issued on July 29, 1975 at page five, he would find that the Ontario ministry of the environment has concluded that there is not a significant impairment of water quality.

Mr. Baldwin: Table it!

[Mr. Fairweather.]

DATE OF REPORT ON SITES OF RADIOACTIVE WATER DUMPS

Mr. Edward Broadbent (Oshawa-Whitby): Since the federal government's own agency decided last July that there was a problem there, and since it took some 20 years to realize that it arose from another source in the same area, I should like to ask the minister when we can expect a report, either to the House or in some other form, resulting from an investigation of the two sources of pollution, one of which is the building site and the other being the by-product of the process which is going on, which I understand that the minister is investigating. When can we expect a report on the investigation now being carried out by his department?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): As to the first point, this report to which I alluded was made public and all members of parliament have received copies. As to the second point, we hope to receive a status report which will be made public, probably in about two weeks time.

PROPOSED COMMISSION TO STUDY HEALTH AND SAFETY ASPECTS OF USE OF NUCLEAR ENERGY

Mr. Edward Broadbent (Oshawa-Whitby): The minister said yesterday that in his view it was not necessary to set up a commission of inquiry into the possibility of serious problems arising in the future as the result of the continued expansion likely to take place in the nuclear energy field. I would like to ask whether the minister has had time to reconsider his position, given the fact that we are now embarking on a national program involving many cities and communities. Does he not think it appropriate to set up a public commission of inquiry into the health and safety aspects given the probability of such a major development?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): That question was asked yesterday and I see no reason to change the answer I gave then.

* * *

[Translation]

UNEMPLOYMENT INSURANCE

REQUEST THAT PERIOD OF ENTITLEMENT TO BENEFITS BE NOT SHORTENED

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to ask a question of the Minister of Manpower and Immigration.

In view of the financial cut program now set out by the federal government and also in view of the progressive increase in unemployment as a result of the anti-inflation measures taken by the same government, can the minister assure the House that the victims of unemployment will not be penalized by shorter periods of entitlement to unemployment insurance benefits?

● (1430)

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I indicated to the hon. member for Provencher the other day, and also during my comments on second reading of Bill C-69, that there was a comprehensive review of the program underway and that there would very likely be further amendments in the not too distant future. The exact nature of the amendments will not, of course, be disclosed until we place them before the House.

* * *

ROYAL CANADIAN MOUNTED POLICE

REASON FOR DELAY IN REPORT OF JUDGE MARIN ON INTERNAL PROCEDURES—POSSIBILITY OF PERMANENT APPEAL COMMISSION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Solicitor General. May I ask the minister why Judge Rene Marin has apparently still not submitted his report with respect to the RCMP and its internal procedures? As the Solicitor General well knows, it is five months overdue.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, this is an independent commission. I understand the report is ready, but is being translated and prepared for printing, and that it will be ready for publication any day.

Mr. MacKay: A supplementary question, Mr. Speaker. Would the Solicitor General state whether he would favour the establishment of a permanent appeal commission in relation to RCMP methods and procedures, and would he indicate whether he has already begun the long overdue process of revising the RCMP Act to better meet the expanded role of the force?

Mr. Allmand: With respect to the appeal procedures, I presume the question of discipline is the one to which the hon. member is referring. We will, of course, want to await the recommendations of the report of the Marin commission, but as a result of the sittings of the Marin commission some changes have already been made with respect to discipline in the RCMP and its operations.

* * *

SOCIAL SECURITY

POSSIBILITY OF IMPLEMENTING GUARANTEED ANNUAL INCOME NEXT YEAR—CRITERIA USED TO DETERMINE IF COUNTRY CAN AFFORD PROGRAM

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare in regard to the conference with his provincial colleagues which has just terminated and involved the income supplement programs. Does the minister anticipate that, as a result of his perusal of all indicators, these programs can be implemented next year, and is this the feeling of his provincial counterparts?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it was agreed that such a program could not be applied next year.

[*English*]

Mr. Alexander: A supplementary question, Mr. Speaker. As I understand it, the conference also indicated that the country could not afford this particular program at this time but would have to wait till we could afford it. Can the minister indicate what criteria will be used in order to determine whether or not the country can afford these two programs envisaged by the minister?

[*Translation*]

Mr. Lalonde: Mr. Speaker, the issue is not whether the country has the necessary resources to finance such a program, but whether an appropriate reallocation of resources can be made. I must point out to the hon. member that even if the financial resources were immediately available, we are not yet in position to introduce a bill in the House. There must be further discussions on the matter in June. In view of the fact that such a bill must be introduced and passed in the House, it is quite clear that it could not be applied before next year.

* * *

[*English*]

EXTERNAL AFFAIRS

CUBA—POSSIBILITY OF SUSPENSION OF AID IN VIEW OF PARTICIPATION IN ANGOLAN WAR

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the precedent of the suspension of aid to India following their nuclear explosion, and in light of the brutal discussions that the Prime Minister held with Cuba regarding Canada's strong opposition to Cuban troops in Angola, does the minister plan to strengthen the credibility of Canada's stand by similar suspensions or other sanctions against Cuba as are currently being applied in the case of India?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The situations are quite different, Mr. Speaker.

* * *

INDUSTRY

PROPOSED INTRODUCTION OF INCENTIVES TO INCREASE PRODUCTIVITY—REQUEST FOR REPORT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. On October 30 I asked the Prime Minister whether he would consider introducing productivity incentives, to be paid in direct proportion to increases in productivity, with the aim of increasing industrial productivity and thereby lowering costs and prices. The Prime Minister showed considerable interest in the suggestion and said that he would refer it to Privy Council and finance for examination. I wonder

whether he would take the first opportunity on motions to indicate to the House what progress has been made in this regard during the last three months.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I appreciate that the hon. member understands it would take a rather longer statement to deal with the subject than I have time for now. I will seek such an occasion to do so, I would not think on motions but perhaps at some time when we are discussing economic matters and either I or the minister would be drawn into a debate on productivity. I agree with the hon. member that it is a very important subject.

I can tell him that the following the question in the House I did have a committee set up in the Privy Council office which has reviewed the federal government's activities with respect to the measurement, analysis and promotion of productivity. This committee is now in front of an interdepartmental group for discussion. I think there is a fair amount of things not only to be said but to be done in this area. I can assure the hon. member that the government is very concerned with it and that we will find the first opportunity to discuss further this important question of productivity with the House.

* * *

[*Translation*]

PUBLIC SERVICE

DATE OF ANTI-INFLATION BOARD DECISION ON BILINGUAL BONUS

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the President of the Privy Council.

Considering that in mid-January, the Treasury Board and the Public Service Alliance of Canada agreed to ask the Anti-Inflation Board whether an additional payment to civil servants filling bilingual positions would be allowable under the anti-inflation guidelines, could the president tell the House when the matter was submitted to the Anti-Inflation Board and when we can expect its opinion on the matter?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I cannot say specifically when the Anti-Inflation Board will give its decision on the problem which the union and Treasury Board have agreed to refer to that Board.

* * *

[*English*]

PUBLISHING

"READER'S DIGEST"—LICENSING PROVISION OF UNITED STATES COMPANY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the revised interpretation by the minister which allows *Reader's Digest* to have a continuing arrangement with its parent company while still retaining its status as a Canadian periodical, can the minister inform the House whether the existing licensing provision whereby *Reader's Digest*, United States, must approve all material used—

Mr. Speaker: Order, please. I am sure that the hon. member is well aware that on three very recent occasions I have disallowed questions that anticipate not only an order of the day but the order of the day.

* * *

EXTERNAL AFFAIRS

KNOWLEDGE OF PRIME MINISTER OF LANDING OF TWO CUBAN AIRCRAFT AT GANDER PRIOR TO VISIT TO CUBA

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Prime Minister which relates to the landing of two Cuban aircraft at Gander on January 13 and 14. Was the Prime Minister informed, prior to his trip to Cuba, of the landing of these two Cuban planes at Gander, one of which was going to Guinea Bissau and one of which was returning from Brazzaville, and did he order an investigation into whether the planes were connected with the Cuban war effort in Angola?

Right Hon. P. E. Trudeau (Prime Minister): The general answer, Mr. Speaker, is yes. I would not say I heard about these two specific planes. At the time the information was not that precise, but I did discuss with my officials the possibility of Cuba using Gander, as it has for quite a few years since it could not have landing rights in the United States, for one thing, in circumstances which were related to the Angolan war. We made clear to Cuban officials, the ambassador to be precise, that if we had any cause to suspect such flights were taking place or would take place we would exercise our rights under ICAO to search those planes to make sure that they were used for civilian purposes. So the answer is yes, but I cannot say that I knew with precision at the time what plane at what time had actually flown.

Mr. Beatty: A supplementary question. May I ask the Prime Minister whether he had good reason to believe, prior to going to Cuba, that in fact Cuban planes, which were being used to fuel the war effort in Angola, had landed at Gander? He indicated that he did not know specifically about these two aircraft. Did he have good reason to believe, prior for leaving for Cuba, that Cuban planes had been using Gander airport in connection with the war effort in Angola?

● (1440)

Mr. Trudeau: Mr. Speaker, for the question to become relevant the planes had to land and take off. One or two planes have landed and taken off and our officials were alert enough to draw the matter to my attention, at which time I indicated, in agreement with the Department of External Affairs, that the Cubans should be notified that already two planes had come and gone and we did not know what was on them or exactly what they were doing, but from now on they should be alerted to the fact that we would be watching future landings for the purpose of searching, if we felt it was warranted, or if the destination was such as to make us believe it was for assistance to

Angola, directly or indirectly. I would have to check the facts, but I believe as a result of that, what has happened has been that in fact there have been no further unscheduled flights of Cuban planes for destination to or from Africa.

* * *

GRAIN

WHEAT—REASON FOR ADDITIONAL CHARGE FOR TOUGH GRAIN

Mr. Craig Stewart (Marquette): Mr. Speaker, can the minister responsible for the Canadian Wheat Boart explain why farmers receiving their final wheat payments for the 1974-75 crop year have found there was a deduction of ten-cents per bushel for tough grain when in other years this deduction was only two-cents per bushel? I ask this because farmers have already had eight-cents per bushel deducted when they delivered this tough grain to the elevators?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will be glad to obtain a more detailed explanation from the Canadian Wheat Board, but I have no doubt that their explanation will be that the actual cost of bringing the grain with moisture to an adequate dry state is reflected in these figures. I will confirm that and report back to the hon. member.

* * *

AGRICULTURE

GOVERNMENT ACTION TO PREVENT INCREASE IN PRICE DIFFERENTIAL BETWEEN BUTTER AND MARGARINE

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture if I can have his attention for a moment. In view of the very significant differential between the retail sale price of butter and the retail sale price of margarine, and the very real possibility of that price differential increasing, will the Minister of Agriculture take action to revise the support price of butter to assist in preventing further declines in butter sales and the buildup of an unnecessary surplus of that dairy product?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this is not something new. The prices of margarine and other spreads are closer to the price of butter than they have ever been, and there used to be a great discrepancy the other way. The Dairy Commission and the dairy industry are looking at all aspects of the industry to make sure their products sell well.

TRADE

IMPORT QUOTAS ON CHEESE—DATE OF ANNOUNCEMENT OF ACTION ON REQUEST FOR DECREASE

Mr. John Wise (Elgin): Mr. Speaker, I have a supplementary question on a similar subject matter for the Minister of Industry, Trade and Commerce. In answer to a previous question regarding import quotas on cheese the minister indicated to me on December 17, as recorded at page 10096 of *Hansard*, "an announcement will be made as quickly as possible with regard to the quota for 1976". May I ask the minister through you, Mr. Speaker, if he has reached a decision on this matter and when we might expect an announcement to decrease these quotas from their present high level of some 50 million pounds?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, the phrasing of the question as to whether there will be an announcement of an increase is something on which I am not prepared to speculate. I might point out that one of his colleagues asked the other day for ironclad assurances that there would not be increased quotas, so even on the other side we have differences of opinion. In any event, substantial progress has been made. As the hon. member knows, there have been a lot of representations made as recently as today and my colleague, the Minister of Agriculture, and I hope to resolve this within a matter of a week or so.

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NORTHERN CANADA POWER CORPORATION

REQUEST THAT RATES CHARGED FOR TWO PROJECTS BE LESS THAN NECESSARY TO MAKE PROJECTS SELF-SUSTAINING

Mr. Doug Neil (Moose Jaw): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development I will direct my question to the parliamentary secretary. In view of the fact that the act which sets up the Northern Canada Power Corporation requires that projects undertaken by the commission be self-sustaining, and the rates which are set be sufficient to cover the interest and repayment of principal, and in view of the escalating costs of the two projects at Aishihik and Strutt Lake, which are being carried out by the NCPC, will the parliamentary assistant advise whether the minister intends bringing in regulations or changes to the act which will allow the setting of rates at less than necessary to make these projects self-sustaining?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the minister has requested a report from Commissioner Smith on the reasons for the cost over-runs at Aishihik in the Yukon and Strutt Lake in the Northwest Territories. This report will be made public, after which the minister will determine whether there will be a public inquiry in response to that. Naturally, these over-runs have a complete bearing on the amounts of the rates that will be charged by the Northern Canada Power Commission. Further, the minister has requested that the Northern Canada Power Commission submit their proposed rate increases to both the territorial public utility board of the

Northwest Territories and the Yukon to the Anti-Inflation Board.

REQUEST FOR REFERENCE OF ANNUAL REPORT TO COMMITTEE

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I wonder if the parliamentary secretary would ask the minister whether he would be prepared to refer the annual report of the NCPC to the standing committee of the House so witnesses can be heard and action taken?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): I will convey the message, Mr. Speaker.

* * *

[*Translation*]

SPORTS

INQUIRY WHETHER GOVERNMENT WILL SECOND PLAYERS REFUSING TO REPRESENT ONE PROVINCE IN INTERNATIONAL COMPETITION

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I want to put a question to the Minister of National Health and Welfare.

Can he tell us whether he supports the position of the members of the Montreal Canadiens hockey club who systematically refuse to play in a team which would represent only the province of Quebec in an international tournament? Can the Minister tell us whether he supports those players?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, an international hockey tournament has been organized between six countries, to be held next September. Among these six countries are the USSR, Finland, Czechoslovakia, Sweden and Canada. I do not intend to take part in any dealing whatsoever which would imply that some provinces could participate in one way or another.

* * *

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBILITY THAT INSURANCE CORPORATION WILL BE ADDENDUM TO AGREEMENT WITH BRITISH COLUMBIA

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of Finance and concerns the most recent meetings of ministers in terms of provinces coming into the anti-inflation program. The minister announced there were two provinces that had now agreed and five that had not, and indicated there were special problems of a minor nature to be worked out. This gives some hope to British Columbians that there may be something done about ICBC rates. Will the minister advise whether it was the federal government's position at that conference, and, more importantly, is it the federal government's position now, that the Crown corporation ICBC be an addendum to the agreement as Ontario Hydro is here in Ontario?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that question was not specifically discussed, but we have made it clear to the province of British Columbia, as we have to other provinces, that we would, of course, be quite prepared to discuss the inclusion of provincial agencies. For many months there have been positions taken by provincial governments, and by both the previous provincial government of British Columbia and the present one, insisting that a fairly large range of provincial agencies be excluded from direct control in so far as price charging was concerned because of their intimate connection with the fiscal policy of the province.

ANTI-INFLATION PROGRAM—POSSIBLE REMOVAL OF EXPORT TAX—EFFECT ON WORKERS IN EXPORT INDUSTRIES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, at the same meeting the minister indicated that there would be a review of export tax by Ottawa at the request of about five provinces, particularly British Columbia and Alberta. In the course of that review will the minister advise us if he is reviewing the wage control program with regard to those workers who are working in the export industry? In the event that you lift the export tax will it be the policy of the government also to lift the wage control program over those workers who are controlled, because at the other end the prices will be completely uncontrolled?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, at the meeting I made the basic point to the provincial ministers of the inequity which led us to propose the export levy in the first place. It seems to me that the proposal of the hon. gentleman would only compound the inequity as between different groups of workers in particular provinces.

* * *

● (1450)

NATIONAL DEFENCE

REQUEST FOR DELAY IN CONSTRUCTION OF LANGUAGE SCHOOL AT ST. JEAN, QUEBEC

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of National Defence and I preface it by saying that I think members in all parts of the House are most anxious to co-operate in the restraint program and will do everything they can to make it a success. Having regard to the difficulty of having finances for tanks and other military requirements, and the reduction in hospital beds across this country in order to keep down expenditures, does the minister not feel it would be in the interest of the country as a whole that he show restraint and put an end now to that $88 million language school in St. Jean, Quebec?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I believe the right hon. gentleman may not have been in the House yesterday.

Mr. Diefenbaker: I was in the House and I listened to that fatuous explanation.

Mr. Richardson: He might not have heard the answer that was given by me and also by the President of the Treasury Board. The facility at St. Jean, Quebec, is to be used for recruit training as well as for language training. It has been planned now for several years and it will take at least four or five years to complete. The expenditure this year and next year is relatively small.

Mr. Diefenbaker: If it is not necessary and it will take four or five years before it can be opened, why not end it now and give an example to the Canadian people that the government follows its policy of restraint which it is asking others to carry out?

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[*Translation*]

OLYMPIC GAMES

INQUIRY AS TO WHO INVITED HER MAJESTY TO OPEN GAMES

Mr. René Matte (Champlain): Mr. Speaker, I wish to put a question to the Prime Minister.

Since International Olympic Committee President Lord Killanin clearly indicated that his committee has nothing to do with the invitation sent to the Queen to inaugurate the Olympic Games in Montreal next July, and since Lord Killanin added he would have preferred that the inauguration be presided over by His Excellency Mr. Jules Léger, would the Prime Minister say why and how his government decided to invite Her Majesty the Queen instead of His Excellency Mr. Jules Léger?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the decision was made in consultation with the Quebec premier after he had talked it over with the Mayor of Montreal.

* * *

[*English*]

COMBINES

DATE OF REPORT OF BRYCE COMMISSION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Prime Minister. Can he tell the House whether there is any target date for the report of the so called Bryce commission on corporate concentration, and when does he anticipate that the House might get that report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to inquire. When I set up the commission I indicated my hope that within a year it could prepare its report, but there was no exact deadline. I will inquire as to when the commission thinks its report will be ready.

FINANCE

POSSIBILITY OF DELAY IN AMENDMENT OF BANK ACT AWAITING REPORT OF BRYCE COMMISSION

Hon. Marcel Lambert (Edmonton West): In light of the Prime Minister's report I should like to put a question to the Minister of Finance. His predecessor had indicated that the government was choosing the draft bill route for the modification of the Bank Act. A new bank act should be in position for January 1, 1977. Can the minister say now whether it is the intention to await the report of the Bryce commission on the concentration of power, which is looking into the banks and the organization of financial institutions in Canada, before it presents its draft bill?

Hon. Donald S. Macdonald (Minister of Finance): No, Mr. Speaker. We had concluded that there being issues to be dealt with by the revision of the Bank Act other than the subjects being discussed by the Bryce commission report it would be desirable, either by way of a white paper to be tabled or by first reading of the bill, which would not then be immediately proceeded with, to put on the public record the proposed changes to the law. Very obviously, by the time the Bryce commission report is received there would be an opportunity to incorporate such of his recommendations as might be accepted by the government in any bill which was put forward for definitive enactment before the termination date.

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REGIONAL ECONOMIC EXPANSION

NOVA SCOTIA—DATE WHEN METROPOLITAN AREA GROWTH INVESTMENTS LIMITED WILL BECOME OPERATIONAL

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Regional Economic Expansion. As the September 22, 1972 press release by the federal minister of DREE of the day and the premier of Nova Scotia states:

> The ministers estimated that it would take a few months before organizational work would be completed and a board of directors appointed.

to Metropolitan Area Growth Investments Ltd., may I ask the minister: When did the corporation become fully organized and operational, and has it as yet taken any concrete action on behalf of the citizens in the Halifax-Dartmouth area, which would indirectly benefit many of the citizens of Nova Scotia?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, this corporation was organized a few months ago. Indeed only recently was it able to complete its executive staff and have its permanent director. It began operating in the last few weeks and filed its first report with my department. I have started going through it. I cannot tell at this time what its concrete operations have been, but I think that some difficulties have been solved. Thus we can hope that in the year that begins this corporation will be able to contribute very positively to the development of this area of the capital of Nova Scotia, Halifax.

Oral Questions

[*English*]

FISHERIES

REQUEST FOR FEDERAL AID TO REPAIR STORM DAMAGE IN NEW BRUNSWICK

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I should like to direct my question to the Minister of Fisheries. In view of the massive damage which has been done by recent storms along the south coast of New Brunswick and in other coastal areas of Canada, would he consider the assessment of this damage and a recommendation to the government that this area be declared a disaster area and receive adequate funds from the government for its re-establishment in business?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I am sure the hon. member is familiar with the natural disaster formula whereby the province triggers a joint federal-provincial program for this type of disaster. I have asked the officials of the department to co-operate and to help the province of New Brunswick assess the damage so far as fisheries are concerned.

* * *

ADMINISTRATION OF JUSTICE

DECISION OF NOVA SCOTIA COURT ON CENSORING MOTION PICTURES—POSSIBILITY OF FEDERAL INTERVENTION IN APPEAL TO SUPREME COURT

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Justice. In view of the decision of the Nova Scotia supreme court that the Nova Scotia government does not have the right to censor motion pictures, thus putting into question the constitutionality of all provincial censor boards, and that that responsibility only rests with the parliament of Canada, has the minister had discussions on this matter with the attorneys general and is he planning to intervene in any further appeals to the Supreme Court of Canada?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, since the decision I have not had any discussions with the provincial attorneys general. The Attorney General of Nova Scotia, as is indicated by the press, is considering whether to appeal the decision of the appeal division of the supreme court of Nova Scotia to the Supreme Court of Canada. I and my officials are studying the decision, but obviously we have no right to intervene until the matter is appealed to the Supreme Court of Canada at which time, of course, we would have to consider the judgment to see whether the Attorney General of Canada should or should not intervene.

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INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Prime Minister. In 1972 while in Edmonton the Prime Minister promised contributions for upgrading and building of highways within Edmonton and the northern Alberta area, and in 1974 while in Edmonton the Prime Minister along with the Minister of Transport promised financial contributions for rapid transit to the worthy people of Edmonton. I should like to ask through you, Mr. Speaker, when he will fulfil his promises.

Right Hon. P. E. Trudeau (Prime Minister): If the hon. member will send me the exact references, I will find out what particular highways were then under discussion.

Some hon. Members: Oh, oh!

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

PETITION TO OUTLAW USE OF INHUMANE TRAPS

Mr. Speaker: Order, please. I have the honour to inform the House that the Clerk of the House has laid upon the table the twenty-third report of the clerk of petitions, stating that he has examined the petition presented by the hon. member for York South (Mrs. Appolloni), and finds that it meets the requirements of the Standing Order as to form.

* * *

● (1500)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I should like to ask the government House leader about the business for the rest of this week, next week and as far ahead as he can see in this session, which looks as though it will go on for all eternity.

Mr. Sharp: Mr. Speaker, I hope the final comment of the hon. gentleman is not borne out by events. We are very anxious to get ahead and to complete the business which is on the order paper. As I indicated at an earlier time, if we could deal with this business with reasonable dispatch, we would be in a position to give a clearer indication as to whether we intended to have a new session of parliament before June. However, I shall first deal with the business.

The government attaches first priority to the completion of consideration of Bill C-58, and that bill will certainly remain on the order paper as the order of business for each day at report stage, and when that is completed I hope we will move almost immediately to third reading. I should also like, however, to try to fit in one minor bill on the Thousand Islands bridge and also to complete consideration of the amendments to Bill S-10 from the Senate. I wish to follow that with completion of second reading of Bill C-68, and if we make progress, we would then call Bill C-72.

I have had some discussions with the leaders of the other parties, and it is agreed that Thursday should be an opposition day, one of the allotted days. It has been suggested,

and we have accepted the suggestion, that the subject should be the seventh report of the Standing Joint Committee on Regulations and other Statutory Instruments which was presented to the House on Tuesday, December 16, 1975, and the terms of reference which would follow therefrom, to implement the report of the committee. That would be considered as one of the allotted days. The vote, however, would be on the report and on the terms of reference.

Mr. Baldwin: If such a vote is not to be a vote of non-confidence, it would leave hon. members opposite free to vote, for once, as their conscience dictates. I should also like to ask a question of the Minister of Justice, a question which he asked me to ask. As counsel of some experience, I am usually reluctant to ask questions which witnesses want me to ask them. However, the question I should like to ask is, can the minister advise the House whether he will be introducing the amendment to the Criminal Code dealing with capital punishment, so that the House will know the official details?

Mr. Basford: Mr. Speaker, the Solicitor General indicated in the House the other day that two bills would be introduced very shortly, one in his name dealing with the issue of capital punishment, and one in my name containing amendments to the Criminal Code and other statutes relating to crime prevention and detection. There is still some work to be done on those bills and some administrative measures to be taken, but unless we get hung-up—

Some hon. Members: Oh, oh!

Mr. Basford: —it is the intention of the Solicitor General and myself to introduce those two bills and to announce the administrative measures on February 24.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like briefly to repeat my Thursday question. Due to the fact that it has now been eight days since the Minister of Veterans Affairs said he would make a statement within two weeks, regarding prisoners of war legislation, may we anticipate that that commitment will be kept before next Thursday?

My other question relates to the comment just made by the President of the Privy Council to the effect that the question of when a new session is to start is still being considered. Due to the fact that sessions of parliament are, surely, the concern of parliament as well as of the government, should there not be consultations with representatives of all parties in parliament before the government decides to continue a session indefinitely?

Mr. Sharp: With regard to the first question, I think I can speak for my colleague the Minister of Veterans Affairs when I say that it is his hope to make a statement next Thursday on the subject of the report and the legislation.

Mr. Lambert (Edmonton West): Oh, a statement!

Mr. Sharp: On the question of a new session, I think it is the decision of the government when to open a new session. I have had the opportunity of talking occasionally to my colleagues, the House leaders of the other parties, on the general question. I only wish I were in a position to be a little clearer, but we are not really proceeding as expeditiously as I think we all would with the remaining items on the order paper. If we were doing that, I would be very happy to discuss with my colleagues whether, and when, we should have a new session of parliament.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wish to give notice of a point of order. If the government persists in its plan to continue this session indefinitely, I will have a point of order or a question of privilege to raise about it.

Mr. Lambert (Edmonton West): Mr. Speaker, in the consideration of the government with regard to whether there shall be a new session or this one shall continue, I trust that it will not abuse the privileges of members of this House in that the Senate and House of Commons Act provides for only a limited number of unexcused absences with heavy penalties. If hon. members are not completely, shall we say, to subvert the affidavits which they make every month, there has to be some reason. No session was deemed to last two years; therefore, the period of absence for most hon. members, including hon. members on the government side, has long expired since October, 1974, and it is a matter of statutory amendment.

Mr. Symes: Mr. Speaker, earlier in the question period I attempted to put a question to the Minister of National Revenue and I was ruled out or order based on the argument that the matter would be before the House later this afternoon. My point of order is that my question was outside the parameters of the report stage amendments which we will be debating this afternoon. The minister made an intervention in the debate the other day outlining changes in content regulations. My question had to do with a licensing arrangements, which is entirely separate from that matter and has great bearing, because the licensing agreement argues that *Reader's Digest*, United States, must approve all material published in Canada. My question, therefore, has significant bearing on the definition of a Canadian magazine.

With respect, since these matters are not included in the report stage amendments before the House this afternoon, my question on a licensing arrangement is entirely separate from those amendments. Therefore I respectfully submit that I should be able to put the question at this time.

Mr. Speaker: Order, please. Notwithstanding the fact that the hon. member raises, by way of a point of order, a disagreement with the decision made by the Chair in the question period, I might say that I further disagree with him because his question would be irrelevant with respect to the amendments I have seen on the order paper which remain undiscussed at this stage.

Mr. MacKay: Mr. Speaker—

Mr. Speaker: Order, please. I indicated yesterday that I would invite the hon. member for Central Nova, and other hon. members who are interested, to participate in a discussion about the rather complex question of sub judice and those restrictions which might be placed upon hon. members in asking questions and ministers in answering

questions. In light of the fact that there is now an amendment moved by the hon. member for Red Deer to motion No. 3, we will likely endeavour this afternoon to call a vote on that amendment in order to proceed in an orderly way with the discussion of other clauses. In addition, there is an indication that the Secretary of State for External Affairs will make a statement on motions.

I have already, in a preliminary way at least, considered the rather difficult question which has been raised. I wonder if I might invite the indulgence of the hon. member for Central Nova, and others interested in that particular subject, to defer this discussion until perhaps Monday or Tuesday of next week. Might that be agreed?

● (1510)

Some hon. Members: Agreed.

Mr. Speaker: Order, please. In light of the practice which the House has adopted in recent days, I wonder if I might ask that the tabling of documents and the statement by the Secretary of State for External Affairs be postponed until we have completed the remainder of routine proceedings?

Some hon. Members: Agreed.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,351, 3,744, 3,767, 3,872, 3,891, 3,907 and 3,915.

[*Text*]

CANADA WORLD YOUTH

Question No. 3,351—**Mr. Coates:**

1. In each of the past five years, how much money has the government contributed in support of the activities of Canada World Youth?

2. By what programme and from what Parliamentary vote have such funds been provided?

3. Of the total amount of money advanced, how much has been for (a) administration (b) salary and other personnel costs (c) travel by officers of CWY (d) actual support for CWY programme?

4. In respect of salary and other personnel costs, who are the individuals to whom payments have been made and in what amounts?

5. In respect of travel costs (a) for what officers have costs been reimbursed (b) in what amounts (c) what was the destination and purpose of each trip?

6. Who are the officers and directors of CWY and by whom are they appointed?

7. Are the financial statements of CWY subject to audit or audit verification by the Auditor General and, if not, what are the provisions of any agreement between the government and CWY in respect of independent audit?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): In so far as the Canadian International Development Agency is concerned, the answer is as follows: 1. 1971-72, Nil; 1972-73, Nil; 1973-74, Nil; 1974-75, $2,800,000; 1975-76 to date, $2,850,000.

[Mr. Speaker.]

2. Canadian Non-Governmental Organizations Program. Parliamentary Vote 30.

3. The funds advanced to CWY in 1974-75 were for the following purposes: (a) Administration, $173,721; (b) Salaries and expenses, $188,423; (c) Travel, $42,428; (d) Program support, $2,395,428. The final report for payments made in 1975-76 will not be received until July or August 1976 as the fiscal year ends June 30th.

4 and 5. CIDA does not make payments to individuals or reimburse individual salary or travel costs. Total personnel costs, including the necessary travel to implement the program, are part of CWY's budget which is carefully assessed by CIDA before it is approved.

6. The Directors of CWY are as follows: Dr. Michael Oliver, Mr. Rhéal Bérubé, Mr. Jean Fortier, Ms. Raynell Andreychuck, Mr. Harold Baker, Mr. David Bartlett, Mr. Paul Becker, Mr. Louis Desmarais, Miss Michèle Brouillet, Mr. Bill Dodge, Mr. C. G. Gifford, Mr. Donald McDougall, Mrs. Marie Resanovic, Miss Silvia Van Brabant. The officers are as follows: Dr. Michael Oliver, Chairman; Mr. Rhéal Bérubé, Vice-Chairman; Mr. Jean Fortier, Treasurer. The Directors are appointed at the Annual Meeting of CWY upon recommendation of a nominating committee.

7. The CWY financial statements are subject to independent audit annually. If requested, they are open to audit verification by the Auditor-General.

RETENTION OF LAWYERS BY DEPARTMENT OF MANPOWER AND IMMIGRATION IN CONSTITUENCY OF OKANAGAN BOUNDARY

Question No. 3,744—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of Manpower and Immigration during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In so far as the Department of Manpower and Immigration is concerned the answer is as follows: 1. R. W. Gilchrist, Barrister & Solicitor, 208 Main Street, Penticton, B.C.; R. W. Rutherford, Barrister, Box 40, Penticton, B.C..

2. R. W. Gilchrist, 1973: 400.57; 1974: 224.40; R. W. Rutherford, 1973: Nil; 1974: 67.00.

DEPARTMENT OF PUBLIC WORKS PERSONNEL

Question No. 3,767—**Mr. Allard:**

By year, from 1972 to date, how many (a) English speaking (b) French speaking employees have been working for the Department of Public Works?

Hon. C. M. Drury (Minister of Public Works): 1972: English, 5,610; French, 1,726. 1975: English, 5,181; French, 2,011. We do not have the information available for 1973 and 1974.

VOTE ON RESOLUTION 3414 (XXX) OF DECEMBER 5, 1975 CONCERNING TERRITORIES OCCUPIED BY ISRAEL

Question No. 3,872—**Mr. Macquarrie:**

1. Does Canada's negative vote on the United Nations General Assembly resolution December 5, 1975 condemning Israel's continuous occupation of Arab territories imply that Canada recognizes Israeli sovereignty over the territories?

2. For what reason did the Canadian delegation vote against this resolution?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The intent of U.N. General Assembly Resolution 3414 (XXX) of December 5, 1975, as expressed by the cosponsors was to seek a just and lasting peace in the Middle East. Canada voted against the resolution, without a formal explanation of vote, because we did not think it would in fact make a positive contribution to the achievement of peace in the area. Our principal objection to the resolution was that it presented an essentially unbalanced statement of the situation. It made no specific reference to Security Council resolutions 242 and 338, which remain basic to the establishment of a durable peace and which contain the essential elements necessary for the achievement of this objective. Furthermore, the resolution appealed to all states "to desist from supplying Israel with any military or economic aid" but ignored the military support provided to other states in the area. The resolution also hinted that sanctions should be imposed against Israel, a measure which Canada considers to be totally unwarranted. Even if this were warranted, it would be an infringement on the prerogatives of the Security Council. Canada did not think that the UNGA would serve the aim of achieving a lasting peace in the Middle East by condemning Israel's continued occupation of the territories while remaining silent on other elements in Resolution 242 such as the right of all states in the area to live in peace and security. Our negative vote can in no way be construed as recognition by Canada of any kind of Israeli sovereignty over occupied Arab territories. Indeed, there could not be any such recognition.

INCOME TAX ARREARS OF NATIONAL AND MULTINATIONAL CORPORATIONS

Question No. 3,891—**Mr. Lambert (Bellechasse):**

1. As of March 31, 1975, what were the amounts of income tax arrears in the case of each national and multinational corporation?

2. Do such arrears bear interest and, if so, at what rate?

3. Since what date have such amounts been owing?

Hon. Jack Cullen (Minister of National Revenue): 1. As of March 31, 1975 there were 25,620 corporation accounts outstanding for a total of $223,042,948. Information is not available to categorize these accounts by national or multinational.

2. Arrears bear interest at the rate of 6% per annum.

3. Number of accounts	Calendar year in which assessed	Amount outstanding
2,470	1973 and prior	$80,662,661
9,269	1974	91,381,797
12,881	1975	50,998,490
Total 24,620		$223,042,948

Order Paper Questions

BUDGETARY REDUCTION OF LIP

Question No. 3,907—**Mr. Marshall:**

Does the budgetary reduction of $35 million in the Expenditure Reduction Programme to reshape the Local Initiatives Programme apply to the amount of $135 million announced for the 1976 programme and will the amount allocated for LIP in 1976-77 be $100 million?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes. The original allocation of $135 million announced for the 1976-77 Program has been reduced to $100 million.

CANADA-MEXICO EXCHANGE PROGRAMME FOR YOUNG SPECIALISTS AND TECHNICIANS

Question No. 3,915—**Mr. Marshall:**

1. Under the Canada-Mexico Exchange Programme for young specialists and technicians, what contact has been made in the Province of Newfoundland, either through Manpower Centres or with the Memorial University of Newfoundland to advise them of such a programme?

2. Have meetings been held and, if so, what are the details?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. The Canada-Mexico Exchange Program for Young Specialists and Technicians, which is administered by my Department on behalf of the Department of External Affairs, was publicized in all Canada Manpower Centres in Newfoundland, including the Canada Manpower Centre on campus at the Memorial University of Newfoundland. In addition, an advertisement was inserted in one edition of the St. John's *Telegram* during the week of January 7-10, 1976.

2. Candidates from Newfoundland, who meet all the requirements for consideration under the program, will be requested to appear for an oral interview, on a date to be determined in March, 1976.

* * *

[*English*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 3,821?

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

[*Text*]

*LAW REFORM COMMISSION REPORTS

Question No. 3,821—**Mr. Fairweather:**

1. Has the Law Reform Commission made 14 reports since its inception and, if so, do they include a variety of topics including restitution, family law, mental patients, divorce, imprisonment and release, expropriation, and family property?

2. How many of such reports have become the subject-matter of legislation now before Parliament?

Order Paper Questions

[*English*]

Mr. Francis Fox (Parliamentary Secretary to Minister of Justice): Mr. Speaker, The Law Reform Commission has made one report since its inception, that is, the Report on Evidence which was received by the Minister of Justice on December 18, 1975 and tabled on December 19, 1975. The Commission has also issued fourteen working papers on a variety of subjects for the purpose of obtaining public reaction. Reports containing actual recommendations in a number of these areas are expected in 1976. Since detailed discussion and consultation with Crown attorneys, police, judges, and members of the legal profession will be necessary in relation to the Evidence Report, legislation in this area will not be able to proceed immediately.

Mr. Beatty: Mr. Speaker, I have a brief point of order about questions on the order paper and the particular method of answering them which the government seems to have adopted. I consider it to be totally unworkable and quite unsatisfactory for ordinary members of parliament. In July 18 I put question No. 2,985 on the order paper. It deals with the subject of growth in expenditures for public relations and advertisements in the civil service since the Prime Minister came to power in 1968. Some months later a partial answer was given to me from a number of departments which listed the information for their departments. The answer included a note at the bottom to the effect that a number of other departments would subsequently be providing this information. I have raised this matter before, both privately with the parliamentary secretary and in the House.

On December 1 the parliamentary secretary had a note prepared which indicated answers that were still forthcoming, including those from the National Capital Commission and Industry, Trade and Commerce, which should have been ready two weeks afterwards according to the note. The answer from the Department of External Affairs was supposed to be ready at the end of that week, the first week in December. As yet, there has been no answer from any of these departments or agencies. The Department of Urban Affairs, the Department of the Environment, National Health and Welfare, the Prime Minister's office, the National Capital Commission, Industry, Trade and Commerce, Secretary of State, Post Office, Central Mortgage and Housing Corporation, External Affairs, and Energy, Mines and Resources have yet to provide answers.

If the practice of placing questions on the order paper is to be at all meaningful, it is incumbent upon the government to try to give speedy and complete responses. I think the practice of giving partial answers, saying the rest will follow and then neglecting to submit the answers, is totally inadequate. I think this matter should be brought to Your Honour's attention and to the attention of the parliamentary secretary.

Mr. Blais: On the same point of order, Mr. Speaker, it is true that I have had discussions with the hon. member relating to certain partial replies that were made. This practice has been followed and in some instances the follow-ups, in the regular course, come within two weeks. In other instances there have been some delays, and there have been a number of instances when pressure has been applied to the departments to obtain the answers. As a matter of fact, directions have been given to all departments that we hope will facilitate obtaining the answers.

I offer this explanation to the hon. member hoping it will be helpful to him. I recognize that the questions asked by the hon. member are usually orderly and seeking to obtain information, which is not the case with all questions asked.

[Mr. Fairweather.]

MOTION TO ADJOURN UNDER S.O. 26

[*Translation*]

OLYMPIC GAMES

PROPOSED DEBATE ON OLYMPIC GAMES PROBLEMS

Mr. René Matte (Champlain): Mr. Speaker, pursuant to Standing Order 26, I should like to move a motion to allow the discussion of a specific and important matter requiring urgent consideration, namely the problem with regard to the Olympic Games expected to take place in Montreal this coming summer. The urgency of the debate lies in the fact that the reputation of the country is at stake, that fundamental differences between the Quebec government and the federal government threaten the unity of the country, and that it is important for the opinion of the representatives of the people in this House to be made known on that extremely important question. I therefore move:

That this House do now adjourn.

Mr. Speaker: Order. the hon. member for Champlain gave notice of his motion under Standing Order 26, but I am sorry I have to point out that those continuous problems, which started as far back as at least three years ago, which have not ceased to attract the attention of the House, do not quite respect the stipulations of Standing Order 26. The matter is very important, and may also be quite urgent because of the continuing importance of the matter; but because of the opportunities the House has had in the past and may have in the future, from now till next summer, of discussing it under other Standing Orders, and the other opportunities it may have of doing so, I cannot accept the motion under Standing Order 26.

[*English*]

In accordance with the agreement made earlier this day, the House will revert to tabling of documents and statements by ministers in order to receive a statement by the Secretary of State for External Affairs.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

REPORT ON CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I wish to report, as

requested by at least one hon. member, and probably others, on the progress which has been made in initiating a dialogue among industrialized countries on the Conference on International Economic Co-operation. I have attended two meetings in Paris as co-chairman of the conference, a function which I share with the Venezuelan minister of state for international economic affairs, Dr. Manuel Perez Guerrero. We have worked together very closely from the start and I want to pay tribute to his wisdom, knowledge and good judgment.

The Conference on International Economic Co-operation is a new venture in international diplomacy bringing together 27 participants—19 developing countries and 8 developed members including the European Community. Seven of the developing countries are members of OPEC, whereas 12 are oil importing countries. The membership of the conference has been selected to be broadly representative of the interests of the world community as a whole with the exception of eastern Europe and China which are not participating.

The use of co-chairmen from the two groups to head the conference and the commissions is a new technique in conferences of this kind. Limited, but representative, membership may ensure that any consensus reached at the conference is broadly acceptable to the international community. It may also make it possible to replace the highly politicized and often sterile debate on international economic problems by a pragmatic and systematic approach to complex questions which cannot be resolved by rhetoric. Limited membership may also be conducive to better understanding, and hence to a more earnest and direct attack on specific issues.

● (1520)

The origins of this conference are diverse and are reflected in its character. What began as a reaction to the quadrupling of petroleum prices in late 1973 has evolved over the past two years into a conference designed to examine many of the world's major economic problems in addition to those associated with energy. The conference will undoubtedly address the various demands for changes in the world's economic system which have been put forward by developing countries in the United Nations. Since the first impact of the oil price rise, Canada has been a consistent advocate of such a consumer-producer dialogue and has in particular advocated including the "innocent victims"—the most seriously affected developing countries—in the dialogue. I am, therefore, particularly gratified that the conference can truthfully be described as a dialogue between developed and developing countries, between producers and consumers of petroleum, and between producers and consumers of other raw materials.

During the coming year the conference will attempt to reach agreement by consensus on a variety of important issues in the fields of energy, raw materials, development and finance. It is my hope that in the process it will make a positive contribution to a new era of international economic co-operation by fostering better understanding and by stimulating ongoing work in other bodies such as UNCTAD, UNIDO, the GATT, the FAO, the International Monetary Fund, and the World Bank.

The ministerial meeting in December which President Giscard d'Estaing opened and which Dr. Perez Guerrero and I chaired brought together ministers from the 27 members of the conference. We agreed on the creation of four commissions: for energy, raw materials, development, and financial affairs. Each consists of 15 members, five representing developed, and ten representing developing members. We agreed on the co-chairmen for each of the four commissions and approved general guidelines regarding the work of the conference.

At a follow-up meeting last week, Dr. Perez Guerrero and I, as conference co-chairmen, together with the eight co-chairmen of the four commissions, reviewed preparations for the work of the commissions. We agreed that each of the commissions should meet five times between now and July, and we made a number of recommendations with respect to the duration of meetings, participation by observers and other procedures. While the initial meetings of the commission will probably deal with organizational and procedural matters, I believe they will quickly move on to substantive questions. A meeting of senior officials from the 27 members may review the progress of the commissions in about five months' time, probably in June. I should qualify that statement by saying that the recommendation has been made by the conference co-chairmen but has not yet been acted upon or agreed to by the participating governments. Of course, it is expected that a ministerial meeting will be held next December to conclude the work of the commissions.

The two co-chairmen of the conference have a particularly sensitive role to play. Although all participants in the Conference on International Economic Co-operation are prepared to approach issues in a positive and co-operative manner, there is a broad range of differing national interests and philosophies among the developed, developing, and OPEC members of the conference. To a degree, it was this very diversity of interests and the consequent difficulty of providing leadership equally responsive to both the group of 8, the developed members, and the group of 19, the developing members, which led to the choice of the two co-chairmen as a technique for organizing the conference. This co-direction of the conference is symbolic of the determination of the member countries to work together and to accept shared responsibility for the results.

Just as Dr. Perez Guerrero and I have a certain responsibility for ensuring that the work of the conference proceeds in an orderly and constructive manner, so the co-chairmen of the commissions have a responsibility for guiding the work of their commissions so that they achieve results which are broadly acceptable to the international community, including those countries which are not members of the conference. As I said, I have been working closely with my co-chairman and I am sure that the co-chairmen of the commissions will also work together constructively.

Canada is a member of two of the four commissions: energy and development. The dialogue in the energy commission may eventually encompass such sensitive issues as oil prices, indexation, and security of supply. We hope that it will lead to increased stability in the international oil market which would facilitate the orderly planning and development of Canada's own energy needs. I also trust

the dialogue will make a real contribution to solving the problems of the developing countries most seriously affected by the rise in oil and other prices.

I am particularly pleased that Canada will participate in the work of the development commission. As you know, Canada has won considerable respect in the third world for its stand on development questions. I can assure the House that Canada will continue this positive approach in the development commission which will probably consider a broad range of issues in such key areas as food and agricultural development, industrial and technological co-operation, trade liberalization, and official development assistance.

Canada is not a member of the raw materials and finance commissions. As they may deal with a number of vital issues such as the stabilization of commodity prices, the stabilization of earnings derived from commodity exports, and international financial questions, we do have a substantial interest in their proceedings. We shall, therefore, be following the work of these commissions closely through our observers in them. We expect to consult frequently and closely with our colleagues in the conference who are participating in these commissions.

I think, Mr. Speaker, that we have got off to a good start. Canada has been given an important part in shaping this new instrument of international co-operation. That may be a matter of satisfaction, but it is also a challenge which we shall faithfully seek to meet.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I begin by acknowledging the role the Secretary of State for External Affairs (Mr. MacEachen) played in the Conference on International Economic Co-operation. I congratulate him on his role as co-chairman, tell him we support him in his efforts to bring developed and developing nations together, and suggest that his role is constructive. If I am critical about some of his comments, let me add that I am critical in the context of supporting his intention as revealed once again in his speech. His speech was of the same tenor as the one he made to the United Nations on September 3, 1975, when he unveiled Canada's new five-year strategy. There is a difference between presiding and participating. The minister has been pretty good at presiding. That is a role which you, Mr. Speaker, can well appreciate. My party wants to know more about the specifics of Canada's participation in the north-south conference. What are the specifics of our participation?

The origins of the conference began with the quintupling of oil prices charged by OPEC nations. That price rise was a factor in creating worldwide economic disarray and produced a spirit of confrontation at the sixth special session of the United Nations General Assembly. That session gave birth, so to speak, in May, 1974, to a document known as the "New International Economic Order." A process of severe confrontation, about which developed nations entered several reservations, led to the creation of that document. The sixth session was followed by the seventh session in September, 1975, and the spirit of confrontation gave way to a new spirit of consensus.

[Mr. MacEachen.]

• (1530)

Canadian participation in the seventh special session was a marked improvement over the sixth session even though we still had some reservations about the specifics called for by the developing nations with reference to the new economic border. The five-year strategy plugged into the new economic order that was reaffirmed at the seventh special session. However, it has been criticized, and I think fairly, as still being too rhetorical, the position on the part of Canada, when in fact the multidimensional approach—which is the code word for describing Canada's new role in international development—is a shift from reliance on aid as an expression of our humanitarian concern, over to the structural changes of trade and monetary reform, the two together, aid and trade, making a multidimensional policy which is at the heart of the five-year strategy of the Canadian government.

This was touched on by the minister in his speech in New York where he said that Canada was prepared to move ahead in commodities, trade liberalization and industrial co-operation. The minister opened up those areas. They are the very areas that the north-south conference has been called to deal with. We are past the stage of rhetoric, past the stage of expressing good intentions.

I reply to the minister today by emphasizing that we are waiting—I would like to say patiently, but I have to say impatiently—for more detail on how Canada is going to participate. There is the interdepartmental committee of officials of various departments of the Canadian government: we know that. There are the subcommittee on international development and the external affairs committee studying this issue at great length. Speaking as a member of that subcommittee, we cannot move too far into the field until we know where Canada will open up the areas of trade liberalization, commodities and industrial co-operation. There are some very hard questions that Canada has to face with respect to meaningful participation as distinct from presiding over a north-south conference.

Many of the nations which form the industrialized and developing group within the North-South Conference are fully cognizant of the urgency of this question. That urgency has been reflected in Canada's own five-year strategy in which we make reference to the fact that 800 million people around the world can expect almost no improvement in their conditions of life for the rest of the decade because of the cyclical poverty which is brought about by economic control systems in trade and commerce which severely disadvantage the developing nations. Therefore, we are pleased that Canada is beginning to move ahead.

I say, parenthetically, that it will be difficult for us to make real progress on the international scene—and I make the plea to the minister with some feeling on the part of Canadians—until we are solidly plugged into this international system for change, the North-South Conference. Canadians must first of all be aware that there is a new, five-year strategy. I can assure the minister that generally speaking Canadians do not even know this strategy exists. It can be criticized. However, Canadians must first recognize that we are now in the process of moving away from just aid to the multidimensional, the structural changes. I think the five-year strategy needs not only implementa-

tion but constructive criticism that will help us to participate more meaningfully in the North-South Conference.

A leading Canadian expert on development, Professor Gerald Helleiner, warns that the "rhetoric on co-operation" glosses over serious inadequacies. Canada is actually dragging its feet on such subjects as the SDR-aid link, reducing tariffs and fair sugar prices, and Canadian representation at international conferences has played too much of a protective role for Canada.

Therefore, I ask the minister how we are going to examine positively the idea of negotiating arrangements for a wide range of products under the commodities section of his speech in New York. How are we going to consider deeper tariff cuts and advance implementation on an m.f.n. basis, or other tariff cuts of interest to developing countries unless we move away from rhetoric and begin to bring into parliament and the subcommittee some of the detail of the thinking going on in the interdepartmental committee that is in the normal process of feeding material for the cabinet to consider?

The Canadian government, and the minister in particular, need the continued support they now have. This can only be retained by having us participate in the ongoing development of our own knowledge of the technical complexities of the structural changes in the multinational policy so that we, as members of parliament, can both understand and contribute to it. It will be a great mistake to go on in the way we have been doing, that is to say, to dump onto the scene a policy that came out of—where? Members of parliament did not participate in the creation of this policy. There are many members, particularly in the subcommittee, who want to have this ongoing role of participation.

The minister talked today about the positive approach he wants to bring into the development commission. A positive approach for what, and for whom? Is it for us, for the continuation of our own benefit with the systems of international commerce benefitting the developed nations, which is at the heart of the problem, or a positive approach to changing those systems? If we are going to demand stable oil prices, what will we offer the group of 77 in return? The minister's statement today was, unfortunately, very vague on what he is going to do.

The mood of co-operation that the minister exemplified in his statement and conduct—and for that I again congratulate him—must dominate new international relationships if there is to be any hope of achieving the new order. The five-year strategy warns that "a hostile reaction by the rich will only intensify the mood of the frustration of the majority of the world's population and foster an atmosphere of confrontation of international affairs."

We are in a dilemma. The massive changes of the new economic order cannot be implemented overnight. The developing world cannot, and will not, wait for our beneficence to catch up with reality. There is a note of urgency that must be maintained in the minister's conduct and in his participation, as well as presiding. I will back him on that urgency, provided he continues to make statements that enlarge the Canadian position in a participatory way as to how we can help the developing nations by better commodity pricing and trade liberalization with meaningful industrial co-operation.

International Economic Co-operation

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I am pleased that the Secretary of State for External Affairs (Mr. MacEachen) has been appointed co-chairman of the Conference on International Economic Co-operation. As the minister said, this conference is an initiation of a dialogue among industrial and developing countries. The conference, as the minister also mentioned, arose out of OPEC and its quadrupling of petroleum prices. However, it has now gone far beyond a cartel of producer countries: the emphasis has shifted to a consumer-producer dialogue. In the opinion of the government, and I share this opinion, that is a far better approach than existed before. We have already had our attention called by the right hon. member for Edmonton-Strathcona (Mr. Roche) to the seventh—

An hon. Member: "Right honourable"?

Mr. Roche: I am not running for the leadership.

Mr. Brewin: I thought I might in that way give you a boost. Mr. Speaker, the hon. member for Edmonton-Strathcona has referred to the seventh special session of the United Nations, held in September of last year. That session announced a new era of worldwide co-operation under the title of the New International Economic Order. This set up a framework, but it will be a long and arduous task to fit in the details and make the aspirations turn into fact. It is essential for the so-called developed, underdeveloped and developing countries to work together to remove what was described at the special session by the minister himself as gross disparities between conditions in the rich and in the poor nations.

● (1540)

I am pleased that Canada has taken its place on the commission on energy and the commission on development. Obviously, Canada is greatly concerned with the question of energy. We are a major supplier of energy as well as a major consumer of energy; we are deeply concerned about this matter and it is one which should be discussed and dealt with on an international basis. I am particularly pleased that we should be a member of the commission on development, for in my mind development has become the key word, item number one among the international issues affecting Canada and, indeed, the world. I hope, as has already been said, that the subcommittee of the external affairs committee of this House will be used to the full by the minister as a forum of discussion by what is really, now, a non-partisan group in connection with developments arising from the work and the discussions of this commission.

The conference to which I have referred is, of course, only one among many; it is only one instrument of international co-operation. Other steps are needed if the basic requirements of humanity are to be met and a stable world developed. Nevertheless, the conference is an event which is potentially important, and we are glad to promise to the minister our support to help him meet the challenge which is before him as chairman of this commission.

Mr. Stanfield: Mr. Speaker, the Secretary of State for External Affairs (Mr. MacEachen) referred to the needs of third world countries and to stabilization agreements related to commodity prices. Could he indicate succinct-

ly—I know he is able to do so—Canada's position with regard to stabilization agreements? Is Canada prepared to put forward a precise position with regard to such agreements and, if so, what is that position? Has Canada already done so?

Mr. MacEachen: I will reply in general terms, Mr. Speaker. Canada did state at the seventh session of the United Nations that we were in support, or could certainly support, certain elements in the integrated commodity approach and that we were ready, also, in certain circumstances to consider the question of buffer stocks, which is also part of the integrated approach which has been put forward. Beyond this generally positive statement we have not developed a position in detail with regard to commodity agreements, because I believe this would require, particularly within the commission, a good deal of negotiation and discussion.

It is my view that in the course of the dialogue itself a response will be required not only from Canada but from the seven other industrialized countries which are operating as a representative group on behalf of the industrialized world, so to speak. While I am sure each country on the commission must take into account its own national interest, it will be necessary to work out with the other countries in the group, where possible, a common approach. That is how the dialogue has been developing so far.

I would think the area of commodity agreements is one in which the group of eight industrialized countries would be working out a detailed position. However, in general Canada has taken what I consider to be a positive approach toward the question of commodity stabilization. We have not endorsed without question—or, indeed, at all—the concept of indexation, although we do support the general objective of the developing countries, which is to protect their major export earnings, upon which they are so dependent, from the effects of price fluctuations. As a general principle, we would certainly work to bring that about. The precise application of indexation as put forward is extremely difficult, however, and might in some cases even work against the interests of the developing countries.

I believe the value of the dialogue which will take place in these commissions is likely to be the opportunity it provides for countries to discuss questions such as indexation in a practical context apart from the rhetoric which could be associated with them in a more political forum.

Mr. Stanfield: Since the purpose of the conference is to reduce the great disparity between the so-called northern developed countries on one hand, and the so-called southern underdeveloped countries on the other, and reduce or eliminate the sense of injustice felt in the underdeveloped countries, thereby, presumably, reducing the threat to peace, and bearing in mind the feeling of the underdeveloped countries that we have all been fooling around with this question—perhaps sincerely, but without much effect, for a number of years—and the feeling of dissatisfaction and expectation which exists, I am disappointed that the hon. gentleman did not tell us whether or not Canada would be taking any initiatives by way of proposals, and what those proposals would be.

[Mr. Stanfield.]

Is it the intention of Canada to take some initiatives and to make some proposals, or is it simply to react to what is put forward by other nations on these various commissions? If Canada is taking certain initiatives and will be putting forward certain tangible, if not concrete, proposals in this connection, in what area will they be?

● (1550)

Mr. MacEachen: Mr. Speaker, I begin by expressing agreement with the Leader of the Opposition (Mr. Stanfield) that it would be unfortunate if the conclusion of the conference were to be a feeling of frustration on the part, not only of the developing countries but frustration, I think, would be generally felt if the north-south dialogue produced very little in the way of concrete solutions.

One of my objectives will be to attempt to facilitate the reaching of, if not glamorous or spectacular results, at least limited or visible results which will have justified the dialogue. In saying that, I would mention to the Leader of the Opposition that in the two meetings that have already been held very formidable difficulties have been cleared away, obstacles that up to now have prevented the dialogue from beginning. So the dialogue is now to begin, the framework has been laid out, the work program has been laid out, key players have been identified, agendas or suggested lists of subjects have been proposed, particularly by the group of 19, by the United States, and the commissions will develop their own work program and, presumably, the listing of the subjects.

It is my expectation that Canada will be participating in the dialogue. It will also be making proposals or taking initiatives. I hope Canada will not be a passive participant or partner, but in certain commissions will make proposals that will not only protect our own national interests which are involved in a number of these commissions but which also will help bridge the gap.

I have made it clear that I was not able today to indicate the substance of our proposals; these are under development. Instructions for the opening commissions are now under preparation, but I do not for a moment underestimate the difficulties that a country like Canada will face in taking forthcoming positions on many of these questions. I believe we will face real difficulties. When hon. members rightly underline the necessity for making concessions in the trade field, it must borne in mind that there is no substantial concession that can be made for access to our markets which will not have an appropriate effect on unemployment or production in Canada.

Mr. Stanfield: Or an inappropriate effect.

Mr. MacEachen: "Inappropriate" would generally be the word used. It would have an effect on our employment and production. If meaningful adjustments are to take place that will bring benefits to the developing world, they will, in my view, require sacrifices in the developed countries. I do not think we are kidding ourselves or that we should kid ourselves that this exercise can succeed unless the industrialized countries are prepared to give something to the developing countries.

Mr. Speaker: Order, please. This subject has been rather lengthily discussed. I wonder whether all hon. members

would agree that the interests of all parties in the House would be served if I concluded the questioning by recognizing the hon. member for Greenwood (Mr. Brewin), the hon. member for Edmonton-Strathcona (Mr. Roche) and the hon. member for Esquimalt-Saanich (Mr. Munro).

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I want to ask a brief question, if I may.

Mr. Brewin: Mr. Speaker, I share the minister's desire to move on from rhetoric to action and from generalities to details. I understand why at this stage it is not possible to give the details, and indeed there are reservations perhaps at any stage about giving the full details of the Canadian proposals. Nevertheless, I ask the minister to undertake to give the House, or a committee of the House, before these conferences meet, as they will meet from time to time, at least an outline of the policies that Canada will positively propound and, when the conferences are over, to report to the House on the result.

Mr. MacEachen: Yes, Mr. Speaker, I will undertake to report either to a committee or to the House when I believe I have something that will be of interest to the House, something of substance by way of proposals under discussion at the commissions. Certainly, as the dialogue develops I would want to report to the House or to a committee on the progress that has been made. In June we will have a meeting at the conference level. We will have to have a midterm assessment. I would want, within that period—probably in connection with the mid-term conference—to give some indication of how things are going and what position we are taking.

Mr. Roche: Mr. Speaker, I should like to put a question and one supplementary question to the minister, if I may. I appreciate his answer to the Leader of the Opposition, that it was necessary to work out a common approach on commodity pricing with the other members of the north-south conference, particularly the developed members, but I would ask him whether that answer is in harmony with the urgency of Canada working out a position on commodity pricing to bring in at the UNCTAD-four conference in May of this year. We will not be able to wait the north-south conference has fully finished its deliberations since the UNCTAD-four conference has already been hailed the most significant of all international conferences at a special session of the United Nations. Developing nations are waiting to see what the developed nations are going to do about bargaining on commodity prices with regard to cocoa, copper, lead, zinc, tin, coffee, bauxite and the bulk of the other 18 primary commodities.

Mr. MacEachen: Mr. Speaker, I believe Canada has already signed or has become a member of certain commodity agreements affecting certain commodities, but I would be happy to get further information on that question. UNCTAD-four is meeting in Nairobi, I believe, next month. It is part of the process involved in the north-south dialogue. My approach, really, is a simple one. The same problems are being tackled in a number of fora—a commonly-used term today—at UNCTAD-four, at the seventh special session and at GATT. The same reality is being examined and the same problems are being discussed. Probably UNCTAD-four will make some further progress, but I do not see these various meetings as being separate events. They are all part of the same ongoing effort to solve problems affecting the same reality, and the same reality is being examined at all these institutions.

I believe the most important one, the one the world will be watching most, is the north-south dialogue, because it is a unique exercise, one that is working in co-operation with the United Nations. Apart from the United Nations, it has a separate origin and a new format, and is expected to deliver results at the end of 1976. So they are all important and they are all working on the same problem. I do not see how any one of us could try to develop a separate, new or different policy for each of these conferences, when actually they are dealing with the same question in one aspect or another.

● (1600)

Mr. Roche: Mr. Speaker, I should like to ask more than one supplementary, but I will refrain from doing that as I expect it would lead to another debate. I want to move quickly to a question for the minister in respect of priorities respecting aid. As we know, continued aid is very much a part of the new economic order of events in the north-south structure. I would ask the minister about Canada's priorities for aid. If aid is to go to the least developed countries, how is it that a $25 million agreement has just been signed with Indonesia which is an oil producing and exporting country? How is it that we announced that agreement without any detail as to how that money is to be used in Indonesia?

I ask these questions because of the contrasting situation we have seen develop within the past 24 hours as a result of an earthquake in Guatemala, with 2,000 people dead and 5,000 injured, but I have yet to hear any announcement that Canada intends to provide emergency aid to Guatemala. I put this question in the context of the importance of Canadian people knowing who is to get the aid, and why it is going there.

Mr. MacEachen: Mr. Speaker, in the case of Guatemala, I have authorized CIDA today to make a special donation to the International Red Cross as a first step in what I hope will be a series of measures to assist the tragically-stricken population of Guatemala. We have made this grant through the International Red Cross and we are considering substantial contributions in the form of food aid. We are also considering a restructuring of our aid program in respect of Guatemala in order to meet their short-term emergency situation.

In the case of Indonesia, it is a very poor country, well within the ambit of the strategy. Even though its economy has been helped by oil revenues, it is still a country that is very poor and deserves our help.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I must admit, through you, that I am rather shattered to hear nothing but rhetoric from the government on this particular occasion. This matter of trade and aid, and the relationship between the two and the need for aid has been in the forefront for—

Mr. Speaker: Order, please. The hon. member will realize that there is provision for one spokesman for each party to

make a comment and for others to put questions to the minister. The hon. member has the floor for the purpose of questioning the minister.

Mr. Munro (Esquimalt-Saanich): I do have a question, Mr. Speaker. Could the minister advise us in what areas, and when, Canada is to put some substance to its verbiage? The areas of commodity agreements have already been mentioned in respect of sugar, rubber, sisal, coffee, tea, cocoa, cotton and wool. When is Canada going to take a step so as to lead people into following in the right direction, instead of patting itself on the back as being a leader in the development of these procedures?

Mr. MacEachen: Mr. Speaker, the Canadian position is very well laid out; that is, we have developed, very clearly, a five-year strategy for our development assistance. We are now engaged interdepartmentally and in a parliamentary forum in the development of multidimensional project toward the resolution of the international economic situation. The honourable member will have realized that Canada, in the commodity field—as I have already indicated to the honourable member for Edmonton-Strathcona—has established commodity agreements in respect of certain raw materials and will continue to support those agreements and processes provided they do not become producer cartels. We have taken the view that trade commodity agreements must involve consumers and producers. We are not interested in those that become, as I stated, cartels for producers alone.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the minister has told us that the conference on international economic co-operation has set up four commissions, and that one of those commissions will be dealing with the matter of energy. I should like to ask the minister, very briefly, who will be representing Canada on that commission, and will it deal only with oil, since that is the only subject mentioned in the minister's comments; or will it deal with other forms of energy?

In addition, what position does Canada propose to take on that commission? I recognize that the minister cannot say that we are going to get certain things, because naturally there has to be compromise and some consensus reached. Also, I do not believe that Canada is going to go into a commission on a subject of this importance unless it has a position it proposes to advance. Is the government going to be asking for some type of agreement between the exporting and importing countries regarding an international price? Is the government going to be making some proposal for an agreement by which the exporting countries might reduce the price, in return for which the developing countries would give greater access to the markets of the developed countries or some reduction in the price of goods which they are shipping into those countries? It seems to me—

Mr. Speaker: Order, please. Having restricted one member earlier in respect of making a comment on the minister's statement as opposed to putting questions, I wonder if I might ask the honourable member to ask his question now.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I was simply trying to make clear to the minister what I had in mind. I am asking, what is the position which Canadian representatives will take on the energy commission in respect of the kind of policy that will be beneficial to Canada and at the same time beneficial to the other countries, particularly the exporting countries?

Mr. MacEachen: Mr. Speaker, perhaps I might state, in general terms, what I conceive to be the major objective that Canada will seek to achieve at the energy commission. The major objective, in our view, would be to develop arrangements that would make for long-term stability in the international energy market—or oil market, in so far as we are talking about oil—making it possible for a country like Canada and others in the world to make orderly plans within that framework over the long term.

Obviously, the question of price is an important one. The question of security of supply is an important one, as well. The question of indexation will be extremely important to the oil producers. One asks himself, as a participant in the commission, whether it would be desirable at this stage to get involved in these extremely difficult questions, thereby endangering at a very early stage the possibility of a fruitful dialogue. I believe it will be up to the co-chairmen of the commission on energy, the United States and Saudi Arabia, as well as the members of the commission, to work out the work program.

It would seem to me there will be an effort to establish a factual basis and to determine all the factors which are presently influencing the demand for energy in the world, as well as the supplies of energy, so that people can agree at least on the facts before they get into the very difficult policy questions of price, supply and indexation. I think these questions are among the main ones that will be dealt with. That, in general, is the best I can do in reply to the honourable member's question. We have been giving consideration to the membership on the energy commission, and we will be represented by senior officials on that commission and another official on the development commission, and we will have observers on the commission on raw materials and the commission on financial affairs.

• (1610)

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Wednesday, February 4, consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Gordon Towers (Red Deer): Mr. Speaker, it is not my purpose to take too long, because I understand that due consideration must be given to the fact that fairly soon there will be a division on this amendment. I am pleased to see here in the chamber the Minister of Agriculture (Mr. Whelan) who will be able to support this amendment

because it relates to agriculture. He has become a friend of the agricultural producer and I am sure he would want to do everything to help production.

This is a very specific amendment for the producer of a specific product. In this case, it could well be purebred or exotic livestock. My colleague, the hon. member for Moose Jaw (Mr. Neil) will take a few moments of the time of the House to make some remarks with regard to machinery.

The amendment is with regard to specialized production by a specialized corporation or individual, and to a specialized advertising agency and to specialized consumers. It is not a large area that we are covering. The necessity for this amendment is due to the fact that purebred livestock producers in one part of Canada, either western or eastern Canada, may be directing their advertising through a medium in the United States back to particular people in Canada. At present, it is left open to the interpretation of a government official as to whether that person can deduct the expense of advertising for income tax purposes. It would seem to me that, while this may be the manner in which the government would like to proceed, the provisions should be specific, and this is what the amendment would achieve.

I suggest the addition of the word "agricultural" to the amendment of the hon. member for Timmins (Mr. Roy). I think this is a good amendment because it also deals with specifics. It is not a large business, but a specific one, and this is of fundamental importance. The hon. member for Sault Ste. Marie (Mr. Symes) took exception to it the other day because he felt that it might cause an influx into Canada of foreign-owned magazines. But I would bring to his attention and to that of all those who want to oppose this legislation the fact that we have the Foreign Investment Review Act which protects the Canadian industry.

However, in certain areas we do not have adequate facilities within our borders with which to publicize our products, and that is why it is of fundamental importance for us to try to give sufficient assistance to producers to advertise their products adequately across this country to enable them to receive the highest price for their products, which is to the advantage of both the producers and the consumers, because that is what competition is all about.

Government statutes allow exemptions for catalogues and publications for the encouragement and promotional development of fine arts and religion. I see no reason why the motion of the hon. member for Timmins to include scientific or medical subjects should not be adopted, following which we would add agricultural products.

Mr. Speaker, I will resume my seat now and give the hon. member for Moose Jaw an opportunity to make his comments.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I will be very brief in commenting on this amendment, which I certainly support. As hon. members are aware, in the agricultural field at least there is quite a movement of goods across the border. The maritimes trade with the eastern United States and Ontario purchases and sells specialized equipment to the U.S. We in Saskatchewan have quite a number of small manufacturing businesses which specialize in the production of certain types of farm machinery. Of course, the same situation exists on the west coast in British Columbia. I feel that these manufacturers of farm equipment and other commodities should be free to make use of the advertising media from across the border, because in almost every instance the trade magazines and periodicals are published in the United States.

Up to now in Canada we have not been able to publish a trade magazine or periodical on various industrial subjects which would contain advertisements for the products that we manufacture. Therefore, I think it is of vital importance that the exception which is set forth in this subamendment be approved, and I urge every member of the House to support this amendment, as I know the Minister of Agriculture (Mr. Whelan) will want to do.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the subamendment of the hon. member for Red Deer (Mr. Towers). Is it the pleasure of the House to adopt the said amendment?

Some hon. Members: On division.

Subamendment (Mr. Towers) agreed to.

Mr. Deputy Speaker: The House will now proceed to motion No. 3, as amended.

• (1620)

Mr. Neil: Mr. Speaker, I should like to make a few comments in connection with motion No. 3. I believe motions Nos. 2 and 3 are being dealt with together. Unfortunately, I was not in the House yesterday afternoon when the Secretary of State (Mr. Faulkner) spoke; I was in the resources committee. But I did have the opportunity of reading his remarks as recorded in *Hansard*. At the outset he said that this bill has taken a long time, about a year. This is true, but this is a very important piece of legislation as far as the people of Canada are concerned. It is a piece of legislation which possibly has brought in more correspondence than any other legislation which has been before the House since I came here in 1972. Consequently, it is important that we do take time with this bill.

The tenor of the correspondence which has come in, not only to myself but to other hon. members on both sides of this House, has been opposition to the bill. It is interesting to note that the Secretary of State throughout the year has remained adamant in his stand until the last day or two. Suddenly we were faced with a piece of correspondence or a news release from *Reader's Digest* to the effect that it is now in a position to comply with the bill or the regulations as to content.

In so far as this motion is concerned, the Secretary of State indicated in his speech yesterday that both motions Nos. 2 and 3 are very important, yet on the other hand he indicated he is not prepared to accept them. It seems to me that he is prepared to allow the interpretation of the regulations to be the guide, and the interpretation of the regulations in the past has been a movement back and forth depending on the whims and fancies of the Minister of National Revenue. It seems to me that it is important to companies doing business in Canada, and to individual

citizens, to understand the law. The law should not be left to the interpretation, the whims and fancies of the minister or to the mandarins who administer the regulations or the legislation.

These two amendments set out specifically what the law is. They are amendments which anyone can understand. Often in recent years legislation was drafted in such a manner that it was almost impossible to understand, and it required interpretation. However, I am pleased to see that these two amendments leave no doubt as to what the publishing companies have to comply with. This is the way we should legislate in this country. Parliament is the sounding board; it is the legislative body which makes the law—and if we have a situation where things are done by regulation rather than by legislation, there is nothing but chaos. This is what has happened in the past year with this piece of legislation. If the minister had been specific and had left no doubt in the minds of the companies involved, we would have had a much shorter debate and arrived at a solution much earlier.

The hon. member for Fundy-Royal (Mr. Fairweather), when speaking yesterday, posed certain questions to the Secretary of State or to the Minister of National Revenue (Mr. Cullen). The hon. member was concerned about what time-frame was allowed *Reader's Digest* in order for it to be within the law. Up until now that question has not been answered by the ministers involved or by any hon. member on the government side. However, certainly *Reader's Digest* at the moment is not in a position to comply with the ownership requirements or the shareholding requirements, and it seems to me that there must have been some arrangement made between *Reader's Digest* and the Department of National Revenue to allow it to continue publishing in Canada until such time as it complied with the specific regulations. If this is the case, I think it is only fair, and indeed it is incumbent upon the government, to advise this House what the time-frame is, because we certainly cannot make fish of one and fowl of the other. In other words, if *Reader's Digest* is to be allowed a certain time-frame during which it can comply with the regulations, then it is only fair that *Time* or any other magazine involved should be given similar consideration.

In closing, I must say I hope that at some time before we close the debate on these two amendments, or before we have a final vote on this bill, one or other of the ministers, or some hon. member on the government side, will stand and tell the House the true facts and what the time-frame is, in order that not only may *Reader's Digest* be in a position to carry on and comply, but perhaps in fairness *Time* magazine may be allowed to have a similar opportunity.

Some hon. Members: Hear, hear!

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am delighted to participate in the debate and to make a few comments with regard to motions Nos. 2 and 3. In substance, the amendments deal with the aspect of "not substantially the same". Let me emphasize once more that along with a great many other members of parliament on all sides of the House, I was most surprised to learn that *Reader's Digest* had issued a press release the other day agreeing to the terms set out by the government. I am also just as sure that the Minister of National Revenue (Mr. Cullen) was not in the least surprised. Some of us have endeavoured to get some information but have not been successful. It is my considered opinion that *Reader's Digest* was bludgeoned into this, or I could say it might have had a rubber hose used on it and in order to survive it issued the directive or press release. A good many of us are now wondering how *Time* magazine will react.

I will concede that the 75 per cent ownership and the other requirements as originally set out are in order, but let me repeat that, along with many of my colleagues and hon. members from the government side of the House, 80 per cent is an arbitrary and high amount of Canadian content and will, in my opinion, dilute the content of a magazine. It now looks as if we will have a czar of the magazine industry, which will result in a controlled press as far as magazines are concerned.

● (1630)

The minister, in his omnipotence, could step in and close down some magazines and let others operate. The president of *Reader's Digest* made the following statement some while back when appearing before the committee:

> We cannot meet an 80 per cent substantially different content regulation. It would simply destroy the *Digest* basic publishing format. It would largely prevent us from republishing material from other publications to the extent that we would no longer be a digest of international articles. It is therefore our opinion that we would no longer have a publication that would be recognized by, or have the same or as much appeal, to our readers.

There has been an about-face in that I am aware that the minister has relented somewhat and will now allow digests of worldwide articles which may be used in the parent magazine but which cannot be the same and must be edited by the Canadian writer. I am assuming that this is a face-saving device because of the tremendous criticism that the government has received on the content issue which, let me repeat, is a form of censorship.

Let us hope, Mr. Speaker, that *Reader's Digest* will not exist in fear and trembling at the whim of the Minister of National Revenue or his grand mandarins or the Secretary of State (Mr. Faulkner), depending on who assumes control of this. A great many of us will be watching each issue. I know that a great many government officials will have their measuring sticks out, checking it like hawks.

I would also like to commend the hon. member for Timmins (Mr. Roy) for his amendment which requests special consideration for medical journals and scientific magazines, and also the subamendment of the hon. member for Red Deer (Mr. Towers) who is suggesting agricultural magazines be exempt and has presented a very good case for this type of magazine. I was delighted to see this was passed on division, but I am somewhat skeptical that when the votes come on motions Nos. 2 and 3, in all probability government members will change their view and vote against them.

As I mentioned earlier, the government has retreated on the *Reader's Digest* issue but only as a sop to the opposition. I am delighted to know that *Reader's Digest* is going to continue, even if in some restricted form. Let me also say, as was mentioned by the hon. member for Moose Jaw (Mr. Neil), that I received more letters on the *Reader's Digest* subject and the possibility of its being discontinued as a

Canadian publication than on those two contentious issues of capital punishment and abortion. If anyone doubts that, they can come to my office and see the file of letters. This is an indication of how seriously a great many of the citizens of Canada, particularly those in my riding, view this matter. I received letters from other parts of the country than my own riding.

As the member for Vancouver-Kingsway (Mrs. Holt) pointed out the other day, the Secretary of State entertained representatives of Maclean-Hunter as witnesses before the committee examining this legislation and refused to allow a delegation from *Reader's Digest* to present their views on the subject. In addition, the hon. member pointed out that even some of the Liberal members of the committee were bumped because of their opposition to this bill. Surely that is not democracy.

Once this bill becomes law, the Secretary of State will be able to exercise his powers of censorship over other publications in Canada. This is a very potent weapon for the government to put in the hands of one of the henchmen of the Prime Minister (Mr. Trudeau). I can see him now, lowering the boom on certain publications that expose the blunders and derogatory statements made by government officials and departments. This is the sort of club presently being used with such devastating effect by India's Prime Minister, Indira Gandhi.

There has been much criticism in the press. I assume most hon. members saw the article in this morning's *Globe and Mail* by Geoffrey Stevens which is a parody on Gilbert and Sullivan. He says that the Cullen rule is obnoxious on several grounds and, of course, the Minister of National Revenue has admitted that this Cullen rule is now the gospel of the government. I heard the minister on the CTV program "A.M." yesterday morning. Mr. Stevens wrote:

> The "Cullen rule" was obnoxious on several grounds. It has no basis in law—and Mr. Cullen admitted as much when he said that, if the courts did not uphold his interpretation, the government would change the law.

That is a pretty strong statement, Mr. Speaker. He went on:

> Unlike Bill C-58, the objective of the "Cullen rule" was simple discrimination—to force *Time* and *Reader's Digest* to abandon their Canadian editions, regardless of whether they met the Canadian citizenship requirements of C-58. And, given the realties of Canadian publishing, the "Cullen rule" meant that Canada would probably never have a magazine which reported fully to Canadians on events beyond our borders. An asinine rule.

The article concluded by saying:

> What we have is not a "magazine policy". What we have is a thoroughly muddled government scrambling to save the political skins, if not the credibility, of two of its ministers.

Thank you, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I realize it is a position of weakness to apologize at the beginning of participation in debate, but I do so to the hon. member of Ontario (Mr. Cafik) because I am most anxious to hear him speak on this particular motion as well, but I feel compelled to enter the debate on motions Nos. 2 and 3. With regard to motion No. 3, I will satisfy myself by complimenting the hon. member for Timmins (Mr. Roy) and the hon. member for Red Deer (Mr. Towers) for their amendments. I would commend their attention to motion No. 5 in the name of the hon. member for Surrey-White Rock (Mr. Friesen). Certainly, the subject matter raised in this motion and the amendment to motion No. 3 pose no threat whatsoever to the Canadian publishing industry. Why they are even resisted by the Secretary of State (Mr. Faulkner) bewilders me.

With respect to motion No. 2, I am compelled to participate in this debate in order that I may continue where the hon. member for Fundy-Royal (Mr. Fairweather) left off yesterday. The hon. member posed an important, and indeed vital, question to the Minister of National Revenue (Mr. Cullen). As reported at page 10645 of *Hansard* he asked:

> What arrangements concerning a time-frame have been made between the Department of National Revenue and the Canadian edition of *Reader's Digest* so that the *Digest* can get itself into the new form which will meet the test of the content rule? Will there be an interim period during which the *Digest* does not qualify and is, therefore, beyond the law if this law passes in the foreseeable future? Or will *Reader's Digest* Canada be allowed a transitional period during which it can come aboard, so to speak, and make the arrangements which are necessary?

Mr. Speaker, that question is very important. It is absolutely unacceptable to me that neither the Secretary of State nor the Minister of National Revenue has replied, and that they are not in the House today to witness this debate.

Some hon. Members: Shame.

Mr. Jarvis: It was the Secretary of State who got the country and himself into this mess in the first place. It was dumped in the lap of the Minister of National Revenue, and it is an affront to the House that they are absent from this very important debate. With regard to the question put by the hon. member for Fundy-Royal, *Reader's Digest* finds itself in the position of having to dispose of equity shares of, I believe, some 45 per cent. If I recall my figures correctly, approximately 30 per cent are in the hands of Canadian shareholders. It must make its content arrangements and its licensing arrangements.

Unconfirmed reports—because the Minister of National Revenue refuses to answer questions—are the department is going to give *Reader's Digest* until the end of this taxation year to conform. First, I should like confirmation of that. Second, if that is the case, why did the government not adopt motion No. 1? I cannot conceive of any reason for refusing. If it wanted to correct the shambles it created, why did it not adopt motion No. 1 standing in the name of the hon. member for Fundy-Royal. As the hon. members know he is charitable, and if the Minister of National Revenue or the Secretary of State wanted to wipe some of the egg from their face, I am sure the hon. member would have been only too glad to let them adopt his motion and take the credit. But no, they did not do that.

● (1640)

As the hon. member for Fundy-Royal suggested, motion No. 2 deals with the issue of fairness or, more properly, the lack of it. We were concerned about the fairness of Bill C-58 at second reading stage and in committee. Now we are most concerned about its fairness. *Reader's Digest* raised the issue of fairness during the committee hearings. The

magazine said that it had acted as a good Canadian citizen without guidelines but that, suddenly, it was confronted with Bill C-58. It implied, in so many words, that it was unfair to change the rules halfway through the game without warning. The arguments of *Reader's Digest* made the committee aware of the issue of fairness.

Time magazine raised the issue of fairness with regard to content when this bill was considered in committee. I, for one, said that the so-called Cullen rule was unfair. I still think it is unfair. Without question, *Time* magazine was led to believe that the government's content rule required between 40 per cent and 60 per cent of Canadian content. The magazine believed this sincerely, and anyone who says otherwise is simply not stating the fact. Their evidence was clear and was not, so far as I am aware, refuted. The Minister of National Revenue's staff denied the alleged effect of the interdepartmental memorandum to which others have alluded, When *Time* magazine took a mock-up of its proposed Canadian edition to the Department of National Revenue, it was left with the impression that between 40 per cent and 60 per cent of Canadian content would be acceptable. When the Cullen rule was made known, the magazine alleged, with cause, that it had been treated unfairly.

The issue of fairness concerns all motions on the order paper. The sort of treatment meted out to *Reader's Digest* ought to be meted out to any other publication affected by Bill C-58, otherwise we shall subvert every fundamental principle of equity. If the minister made a special deal with *Reader's Digest*, why does he not have the courage to stand up and say, "Yes, this is the special deal." What are the details of the deal? I argue against any special deal and will vote against any proposal which runs counter to principles of equity and justice. I want to see fair play. I suggest that the Minister of National Revenue is under the duty of participating in the debate on this motion as soon as possible and telling the House of the deal he made.

I am delighted the *Digest* can continue publishing in Canada. My mail has been similar to that received by the hon. member for Parry Sound-Muskoka (Mr. Darling), and I am delighted to be able to say that the government has capitulated for political reasons. But we are not debating that principle; we are debating the principle of fairness.

Mr. Baker (Grenville-Carleton): And honesty.

Mr. Jarvis: Surely the Department of National Revenue, of all departments, ought never to be accused of arbitrariness and unfairness. Surely that department's reputation deserves protection. The implications of fair dealing extend beyond this bill. The Minister of National Revenue asks the House to give him carte blanche to determine the meaning of "substantially different" or "substantially the same" in connection with the publishing industry. At the moment he says that the pertinent figure is 80 per cent. Next week it may be another figure; it can change with the passage of time and from minister to minister as one minister succeeds another in that portfolio. The figure depends on the whim, the arbitrary decision of the government of the day. Let me quote what the Leader of the Opposition (Mr. Stanfield) said in this debate as reported on page 10586 of *Hansard*. He was speaking about the 80 per cent provision not being embodied in any statute. He said:

> It is also completely arbitrary in the sense that it can be changed whenever the minister changes his mind or whenever his cabinet colleagues change their minds. In that event there is to be no public discussion: there is to be a nice, cosy discussion within the confines of the minister's office or possibly in the cabinet room.

Surely we cannot accept any arbitrary interpretation of any part of a statute affecting the magazine and publishing industry of Canada. No fair-minded Canadian would accept this. Frankly, I regret the involvement of the Minister of National Revenue, for whom I have profound respect and indeed, affection. I would not expect the minister to act arbitrarily. Possibly he will be less arbitrary than others; but the principle remains. Who will be the minister tomorrow? I don't know. What confidence can we place in any minister of the day not to act arbitrarily? To what pressures will the minister be subjected? What pressure was brought to bear to permit this political face-saving involving only one magazine? Frankly, Mr. Speaker, that is all this is. The government's attempt to extricate itself from the mess it created by providing for the arbitrary exercise of ministerial discretion is unacceptable. We do not accept it; neither do those we represent accept it. I say this more in sadness than in anger.

Earlier I referred to Geoffrey Stevens' column in today's *Globe and Mail*. I shall quote part of the column in a minute, but before I do so let me emphasize that we did not disagree with the original concept and purpose of the bill. We were in favour of giving encouragement to the Canadian publishing industry. No one disagrees with that. Actually, I think most hon. members would unanimously support the idea. Unfortunately, the government's action has clouded the industry's horizon. I suggest, with all sincerity, that we shall all rue the day the government introduced the present measure unless we amend it as proposed. May I now read part of Mr. Geoffrey Stevens' column in this morning's *Globe and Mail*. He said:

> Quite simply, we have in Ottawa a government that is so confused that it doesn't know what it is doing. We have a government which started out with a good idea—to protect the domestic Canadian magazine industry from unfair foreign competition. To this end, it introduced Bill C-58 which would require that, to be deemed Canadian for tax purposes, all magazines would have to be edited, controlled and at least 75 per cent owned in Canada. A sensible, long overdue step.

Mr. Stevens was writing about the peak of the affair. It has been all downhill ever since. We have stumbled from crisis to crisis, mistake to mistake, and come to the point at which deals are made—probably in the minister's office. Surely that is no way to encourage other Canadian magazines or Canadian writers. I am certain that magazines and writers of integrity do not normally indulge in back-room deals. I therefore urge the government to take time to think about this matter. Let us find an honourable way out of this completely unacceptable situation in which the Canadian magazine industry today finds itself.

Mr. Symes: Mr. Speaker, I rise on a point of order. The hon. member for Perth-Wilmot (Mr. Jarvis) referred to the absence this afternoon of the Minister of National Revenue (Mr. Cullen). I am sure he would want to be fair. I tried to contact the minister privately. I understand his wife is ill, and that is the reason for his absence this afternoon. He will return this evening.

● (1650)

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I had the pleasure this afternoon of listening to a number of speeches on this amendment. They have raised a number of concerns in my mind. The most important thing that has been said has been the relative lack of answer by the government to the very important questions raised by the hon. member for Fundy-Royal (Mr. Fairweather). There has not only been a lack of answer with respect to the questions themselves, which certainly bear answer, but with respect to the nature of the questions. Aside from the specific answers, what the hon. member for Fundy-Royal was asking was the philosophy of this government in dealing with the rights of what, for want of a better term, might be called citizens in terms of the dangers that can occur as a result of discriminatory acts. The intervention that was brought to the attention of this House a day or so ago as the result of the statement by *Reader's Digest* was the most blatant evidence of lack of understanding of the importance of there being no discrimination in the operation of a government in the way in which rules and statutes are to be determined and administered.

This is a black day. When Bill C-58 came forward, I joined with others in not quarrelling with the general idea of the government to provide some equity and balance in terms of privilege. In a speech at that time, I suggested that we ought to consider the fairness of doing it in an arbitrary way. Sometimes the names create different attitudes toward the idea. For a publication or a group of publications, in this case two, to have a certain status in Canadian law, and they having committed themselves to the rules in existence at that time, it would be unfair suddenly to pull the rug out from under them. That is not the way things ought to be done and it is not the way that things are normally done in terms of taxation matters. If we were dealing with anything but an American edition, Canadians would rise up and cry "Foul". I cry "Foul" regardless of what publication. I would also cry "Foul" if we were talking about something else, because this is not the way things ought to be done.

The first blunder of the government, therefore, was not the intent but the method it adopted. Having unfairly dealt with two publications, we heard the other day that there is a second discrimination. Some call it a deal, a back-room arrangement, or put some other label on it. I am not privy to the reasons for the discrimination; I can only guess. However, one publication is being dealt with differently from the other. I take no comfort in the fact that *Reader's Digest*, a magazine I enjoy and about which I have received a lot of correspondence from my constituents, is being favoured by this discriminatory back-door arrangement. In my respectful submission, it is a dreadful arrangement that this government has made.

Although this action may appear to benefit one particular magazine, in the long run the government may have opened the door to justice and equity. It will depend on who is the minister, his attitude, his relationship with his colleagues, his clout and, to quote an adage from ancient times in British justice, how long is the chancellor's foot? It is as simple as that. If that is the way the law is to be administered in Canada, with arrangements made, issues settled and rights determined in the cabinet room or in the office of the Minister of National Revenue, whether this or some future minister, or some other minister, I say that is wrong. I hope there are sufficient people on all sides of this House who feel strongly about this. Regardless of the transitory embarrassment this may be to the minister, I hope they will stand up and say it is wrong. I hope that happens because this is a very important principle.

What has happened in Canada is that we rely more and more on the administrative tribunal. We have moved away from the courts, whether we are talking about public service legislation, as we talked about in the Finkelman committee this morning, or transportation. We are moving to where the decisions of government are being made by commissions. That is not a happy trend in a free society. Commissions and boards can act as lightning-rods to take the heat off governments. The responsibility is basically a political one in terms of decisions that ought to be made. However, even if that is a bad trend, and even if the administrative tribunal is bad, before the administrative tribunal—

The Acting Speaker (Mr. Turner (London East)): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTION TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Oshawa-Whitby (Mr. Broadbent)—The Canadian Economy—Anti-inflation program—Suggestion that provision for equality of sexes with regard to income be made mandatory; the hon. member for Hillsborough (Mr. Macquarrie)—National Parks—Prince Edward Island—Suggested moratorium on imposition of fee; the hon. member for Carleton-Charlotte (Mr. McCain)—Fisheries—Request for federal aid to repair storm damage in New Brunswick.

Mr. Blais: Mr. Speaker, I rise on a point of order. There has been consultation in the usual way. There is agreement that we proceed with public bills, order No. 67 on page 30 of Monday's order paper, Bill C-267, standing in the name of the hon. member for Winnipeg North (Mr. Orlikow).

The Acting Speaker (Mr. Turner (London East)): Is it agreed?

Some hon. Members: Agreed.

Contract of Employment

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

PUBLIC SERVICE EMPLOYMENT ACT

MEASURE TO PROVIDE INFORMATION TO PUBLIC ON CONTRACTS OF EMPLOYMENT

Mr. David Orlikow (Winnipeg North) moved that Bill C-267, respecting employment with the Government of Canada not covered by the Public Service Employment Act, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

● (1700)

He said: Mr. Speaker, the purpose of this bill is a simple one. It is to provide information to the public as to all contracts of employment entered into by the office of the Prime Minister or by government departments. What I am proposing is an amendment which would add to the Public Service Employment Act a clause which would require the publishing, in full, each month in the *Canada Gazette* of every contract of employment not covered by the Public Service Employment Act to which the government of Canada is a party, where a person is contractually engaged by a department of the government or by the office of the Prime Minister.

We ought, all of us, to be concerned about the sharp increases which have taken place in recent years in government expenditure and the very large increases which have taken place in the number of civil servants. I am a member of a party which believes that, as life becomes more complex, government must assume greater responsibility than in the past for meeting the needs of the people. I do not, therefore, object to increases in the number of public servants. However, I join with many people who are concerned about the very large increases which have taken place in the number of public servants, particularly the tremendous increase which has taken place in recent years in expenditure for the hiring of consultants who work for the government and are paid by the people of Canada, through their taxes, but who are hired with none of the safeguards which are enumerated in the Public Service Employment Act.

Let me illustrate what I mean by quoting from the *Globe and Mail* of March 17, 1975, a couple of paragraphs from a news report which appeared in that issue:

> Government spending for "Professional and Special Services" will reach at least $982.5 million this year (1975-76) according to initial government estimates and will almost certainly be higher after supplementary estimates are introduced throughout the year.
>
> The figure represents an increase of 18.3 per cent over spending on consultants in the current fiscal year and a 35.9 per cent increase since 1973-74.
>
> During the same two-year period the overall government work force . . . has risen by about 10 per cent to about 255,000 from 231,000.

That is the picture of what is happening. There has been a steady increase, one with which I do not entirely disagree, in the number of public servants in recent years. But look at what has happened in the senior positions, in the executive positions which are classified as SX positions. On October 1, 1974, I put a question on the order paper as follows:

[The Acting Speaker (Mr. Turner (London East)).]

> What was the increase in the number of senior officers, SX-1, SX-2, SX-3, SX-4, for each year from 1968 to 1973, or, in the case of new departments, etc., from their inception to 1973?

The answer was as follows, and I am sure the figures are out of date by now:

> The increase in the number of senior SX officers for each year from 1968 to 1973 for all departments and agencies of the public service was as follows: in 1968 there were 381 senior SX officers. This total rose to 412 in 1969, 535 in 1970, 602 in 1971, 720 in 1972 and 895 in 1973.

So there were almost 2½ times as many in 1973 as there were five years earlier. The people of Canada have a right to ask whether such an increase was necessary. In 1975 I asked a question which was answered on March 17 of that year. The answer can be found in *Hansard* of that day. I asked:

> What categories and ranks specifically of public servants other than SX are considered part of the senior management complement of government departments?

The answer came down—I shall not read the list department by department—showing there were over 450 of these positions. Then on January 28, 1975, I asked the question:

> How many people in the public service, excluding those in the SX salary range, are earning salaries equivalent to or more than $25,500, which is the minimum SX-1 salary?

The answer was as follows:

> As of September 30, 1974, 3,307 public servants, including those in levels deemed to be equivalent to senior executive officer levels, earned salaries equivalent to or more than $25,500 per annum.

Mr. Speaker, despite this tremendous increase in employees in the senior levels of the public service, details of which I have placed on record, we spent, in 1975, close to $1 billion on consultants hired by contract. And, as I pointed out, none of the restraints or detailed information which are expected by the public and required by the Public Service Employment Act are applicable in these circumstances.

Back in 1974 I asked how many employees in each department were employed on a term basis, a casual basis or a contract basis. The answer was voluminous. I am not the only hon. member who has asked questions on this subject. I tried to count the number of those who make more than $20,000 a year on contract. My arithmetic may not be exact, but I do not think it is far wrong. In the Department of Communications there are 15; in the Department of Consumer Affairs, two; in the Department of Energy, Mines and Resources, four; in Indian Affairs and Northern Development, five; Justice, 10; Manpower, three; Regional Economic Expansion, six; Science and Technology, five. I could go on and on.

On October 1, 1974, the hon. member for Rocky Mountain (Mr. Clark) asked how many consultants were engaged by each of the departments as of that date. Again, there was a long answer and I do not have time to read it all into the record. But let me give the House a few illustrations. In the Department of External Affairs an editorial consultant was employed for two years, for which he received $52,800. There was paid the sum of $40,000 in connection with specialized projects in the field of international law.

Take the Treasury Board, the people who are supposed to monitor the whole system, the people who are supposed to protect us from overspending. Here we find a contract to advise on questions pertaining to federal public service

compensation programs. The consultant worked, as far as I can tell, for six months and was granted $33,000. Another consultant was called in to advise on matters pertaining to federal decentralization. He, it seems, worked for three months and received $18,000. Another was engaged to advise on operations research. He worked for a year and received $23,000. Another man worked to advise the secretary of the Treasury Board on the form of the accounts of Canada and other areas of financial management; he seemed to work for about six months and received $25,000. A company was engaged to analyse the role and long-range purpose of the personnel policy branch; they worked for about five months and were paid $36,000. Another man worked to advise and assist the Treasury Board secretariat on administrative procedures regarding personnel management; he seemed to work for about six months and received $46,000. I could go on and on, Mr. Speaker.

● (1710)

Not so long ago I discussed this whole question of the number of senior public servants and consultants being engaged, the fees they were charging and getting. One man told me—I am not going to reveal his name because I did not say I would, but he has been in the senior levels of government, both federal and provincial, for many years and I consider him to be one of the best public servants this country has ever had—that the system is out of control. Those were his exact words. He said no one is looking at these things any more.

A large sum of money is involved here; the last year for which figures are available showed an expenditure of almost $1 billion. Whether the President of the Treasury Board (Mr. Chrétien) will succeed in holding the line this year—a year of supposed restraint—to the figure last year, I do not know. In answer to a question I asked him when he first announced his program, he said that the budget was frozen and would not increase.

Let me cast my mind back to the last time the Government of Canada, this present Liberal government, during the period 1971-72, said it would freeze for one year the number of civil servants. They did it, Mr. Speaker, but during that period of time the number of consultants hired and the consequent amount spent increased dramatically by the standards of that year, though much less than today or even last year. But based on my experience here, I have the feeling that this year will be no different, that there will be further increases in the number of consultants hired and the amount of money paid to them.

I want the Government of Canada to be efficient. I want it to hire the best people it can to do the jobs that need to be done. But I find it very difficult to be enthusiastic—I am putting it mildly—about participating in any program that says to people down at the bottom, both in the public service and in private industry, "We are determined that inflation must be checked, that we must stop inflation, and therefore we have passed legislation under which your increase in wages or salaries cannot be more than 10 per cent this year, 8 per cent next year and 6 per cent the following year".

Not that that plan will not work, Mr. Speaker, but I find it difficult to support such a program when I see how generous—I could use stronger language and say profligate—this government has been in its treatment of senior civil servants. I see their expenses and salaries increasing, as are their trips both inside and outside the country. There has been a tremendous increase in recent years in the number of consultants hired by virtually every department of government.

My proposal is a very simple one. I am not saying that contracts to consultants must cease. Neither am I saying that at this point in time the amount of money spent or the number of consultants hired should be reduced. I am simply saying to this government, and to any government that may be in office in future years, that it makes sense to me that we let the people of Canada know as much as possible about what the government is doing, and that therefore each month there should be an announcement in the *Canada Gazette* of the contracts that have been let, the number of people hired as consultants, what they are to do and how much they are to be paid.

One member on the government side will shortly get up and tell us that there are hundreds of thousands of people who are hired for a week or a month, many of them to undertake very ordinary jobs at somewhere between the minimum wage of $3.50 an hour, or whatever it is at the moment, and $5 an hour. I realize it would not be very productive to list every single one. I also realize that if my proposal were enacted in the precise terms written into the bill there would be problems. If any member on the government side wants to amend the bill to provide that only contracts that pay more than $20,000 a year and up should be reported in the *Gazette*, then I would be very happy to accept that amendment.

As I say, Mr. Speaker, the bill I am introducing is a simple one. It is not aimed at the government. It is asking for the publication of information that the people of Canada are entitled to have, and I urge hon. members to support passage of this bill.

Mr. Frank Maine (Wellington): Mr. Speaker, I should like to discuss Bill C-267 in the name of the hon. member for Winnipeg North (Mr. Orlikow) in its present form from the point of view of the increased cost to the taxpayer that would be involved should the bill become law. The proposal apparently includes contracts with both companies and individuals. As the House is no doubt aware, a company is a legal person; therefore, we may interpret the hon. member's suggestion as meaning both personal service contracts and third party contracts.

It is difficult to place a numerical value on the numbers of contracts in the public service, excluding Crown corporations. However, considering major users we would estimate it to be in the area of 6,000. It is likely that that figure is a minimum one as all departments, the Treasury Board secretariat and Supply and Services have authority to issue contracts, either personal service or otherwise. These would include everything from cleaning services to engineer to personnel consulting to foreign aid to small post offices in rural areas as well as urban areas. The publishing of all such contracts on a monthly, or indeed on any basis, is ludicrous. Publishing costs would be astronomical, to say nothing of the number of additional pages needed in the *Canada Gazette*. Based on a minimum of 6,000 contracts, it has been estimated that the *Canada Gazette* would probably be extended to somewhere in the neighbourhood of

3,000 pages every month Just to cover contracts, to say nothing of other material which must be published. At present the subscription cost of the *Gazette* is $25.00 a year. I would think that production costs if, indeed, it were even practical, would increase the cost of subscription to the point where few could afford it, not even libraries.

● (1720)

Translation costs alone, which average approximately five cents per word, makes the whole idea prohibitive. Perhaps an example here would be appropriate. The Canadian International Development Agency lets approximately 1,000 contracts for foreign aid services as well as internal services. These contracts contain all specifications for work to be accomplished as well as compensation both in the form of salary and allowances. At a minimum of two pages per contract, it is estimated that with translation one contract could be published per page of the *Gazette*. This means that, using both sides of one page in the *Gazette*, two contracts could be published. From this point, simple arithmetic tells us that for CIDA alone the *Gazette*, in terms of contract publication, would use 500 pages.

The situation regarding personal service contracts, that is, contracts with individuals, is almost as bad. Consider the Post Office with its hundreds of contracts to individuals as postmasters in rural areas. Even taking a minimum of 1,000, we find ourselves with a 500-page *Gazette*. We would estimate that there are some 2,500 personal service contracts let in the public service; therefore, again simple arithmetic gives us a *Gazette* of 1,250 pages for contracts alone.

As I mentioned, we have no way of knowing specifically how many contracts are let in the public service during the course of one year, but just from conservative figures one can see the utter folly of demanding publication of each every month as is suggested by the hon. member.

In terms of cost of publication, let us consider that the *Gazette* averages approximately 20 pages at an annual subscription rate of $25. At 250 pages, these subscription costs could rise to 12.5 the present rate, bringing the yearly rate to approximately $312. Somehow, I do not think we would get any subscribers. Also, let us consider translation costs which could be necessarily the responsibility of individual departments. At present, if we contract with an individual or company who deals in the French language, the contract is drawn up in French. The same applies to the English language, so there is little problem in individual departments. However, to publish these contracts we must have all of them available in both official languages. In order to accommodate this work load, we must hire more translators or, of course, we could contract at five-cents per word.

A conservative estimate gives us an average of approximately $50 per contract. Multiplying this by our estimate of 6,000 contracts gives us an approximate cost of $300,000 initially. We cannot say what the total cost may amount to as contracts expire at any interval during the year and new ones are let, and for every new one a translation must be made. It is evident, then, that the publishing of each contract in full every month would be prohibited by the costs involved. It is for this reason alone that I will vote against this proposal.

[Mr. Maine.]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the hon. member for Winnipeg North (Mr. Orlikow) has brought forward a very interesting proposal. What was the most interesting part of the debate so far was the unusual suggestion by the hon. member for Wellington (Mr. Maine) when he said he intended to vote against the bill. This left a little hope in my heart, as I thought perhaps history was to be made tonight and we would actually have the opportunity to vote on a private member's bill. I do not know whether those words were in the hon. member's notes, whether that was a slip, or whether he was indicating he agrees with me that we ought to have greater opportunity to vote on private members' bills rather than merely set them aside.

I read this short bill with great interest. It appeared that the intention of the hon. member is to answer what has been a cry of many people, in terms of big government and complex governmental matters. His intention appears to be an answer to the public's right to know. What has taken place in respect of our order paper and a number of other things in this place would indicate that the right of the public and of members of parliament to know what is going on is diminishing at about the same rate as the complexity of government and government intervention is increasing. The introduction of the computer and sophisticated methods of communication have not really helped the situation.

In looking at the bill presented by the hon. member, it says two things: it says that the public has a right to know, and governments have a duty to disclose. The hon. member, hopefully, would have the bill go to the committee where the objections of hon. members, such as the one by the hon. member for Wellington, which could be entitled "It cannot be done", could be considered.

Let me say to the hon. member for Wellington that I am as conscious as he is of cost, but I would hope that the principle and the main thrust of this proposal could be sent to the committee for examination. It could be considered there, and it may be that the committee would not accede to the request of the hon. member for Winnipeg North. What he suggests, I admit, would result in monumental costs of preparation. It could be that these contracts could be filed at a central registry where they would be available to those interested.

The principle which has been set forth in this bill having regard to the matter of disclosure ought not to be rejected. I regret that the hon. member for Wellington would vote against the matter if he has the chance, having particular regard to the principle being put forward. There are very few people in Canada, even in the cabinet, who are fully cognizant of what is happening in all departments, or even the department of one's seatmate. The organization of the business of government is becoming more difficult and more complex. I do not believe that on every occasion a government does not disclose something it does it wilfully. I do not believe there is any feeling in the public service that they are going to make mistakes which will not be disclosed. Alll I am saying is that our procedures have come to the point where it is easy for them not to disclose. Rather than having a little trouble with it at the outset, they will just not give out the information. I think it is important that we, as representatives of the people, have

access to that information and that people who are interested in particular areas have access to it.

● (1730)

I do not often support an NDP bill or a proposition advanced by a member of the NDP, but I think this is a sound one and I hope the government, and the members here today, who actually have the decision as to whether or not they will let it go, not the government, will give careful consideration to the principle of the bill.

Let us deal with the question of consultant contracts. There is a suspicion in the land—from time to time there are enough pieces of evidence which tend to confirm that suspicion—that the consultant contracts in the public relations field are one of the largest patronage operations available to government. I hope that is not so, but that is the suspicion.

I raised the matter with the Minister of Labour (Mr. Munro) in the House with respect to the Price Rubin contract. That matter has never been satisfactorily answered in terms of the time when Treasury Board approval was given in relation to the payment out of moneys under that contract. It is an established fact that one of the members of that organization at one time was a partner of the Minister of Labour. I am not suggesting that that by itself indicates that the Minister of Labour had his finger in the giving of the contract, but what I am suggesting is that that relationship gave the appearance of that, and that is very bad for our system. It was a bad thing for the Minister of Labour. He wrote me about it, he felt sensitive about it. He would not have felt sensitive about it if there was not a bad appearance, an unusual appearance.

I recognize that we cannot tender for every contract; it is impossible; the cost would be impossible. But if we cannot tender for them all I do not think it is unreasonable that we should at least disclose them all. I hope there is no member who would disagree with me. When we talk about consultant contracts we are talking about a substantial amount of government moneys. If my recollection of the current estimates is correct, we are talking about $900 million in consultant contracts, a tremendous increase over the previous fiscal year. Some of that could be attributed to the fact that government activities have expanded, but I believe that some of it—and this is important to me as a member in the national capital area who represents a large part of the public service—is due to the fact that the public service of our country, far from being too large and far from growing too rapidly, is in fact under-challenged in terms of its ability to do a job.

I have raised this matter before in the Standing Committee on Miscellaneous Estimates when the Minister of Public Works (Mr. Drury) was before the committee. I spoke about the practice of turning to consultants whenever there is a little problem within a department or a small study to be made.

In fact the public service of this country is under-challenged. When that happens the public service becomes the butt of everyone who would say that bigness is bad, government is growing and is too large, and civil servants sit around and do not do any work. I have been in a lot of government offices and have found that in some cases that is true, but I have also been in the offices of Dupont of Canada, the offices of General Motors and many big private enterprise organizations, and I see the water cooler crowd there too. That happens to be one of the difficulties with respect to business. So, whether the criticism comes from any particular area of this House or not, I do not accept the contention that the public service is necessarily too large and that that is the major criticism with respect to the public service.

I believe that the public service is under-challenged in terms of the ability of the men and women in the public service to handle the problems they have. This is something at which we will have to look. I think we have been somewhat unfair with the public service in many ways because every time a government gets into trouble it pounces on the public service as being necessarily too large, instead of looking at the priorization of the programs of government to see whether, not the public service but the governors of the country have their priorities set in such a way that large parts of these programs go on and on without being considered in terms of their relevance. They take on lives of their own.

What happens is that either a government freezes or, on the other hand, it appoints a commission, a one shot operation, to examine the operations of the government. It will come moving in, and instead of this examination being something that would be welcomed generally by the public servants who want to advance in their careers, like everyone else who wants to have a reasonable security of tenure in a challenging job, they feel themselves to be the target of these periodic examinations that go on whenever a government is in trouble.

I think the hon. member for Winnipeg North is in order. I think the growth factor is out of control in many ways and we do a disservice to the public servant and to the public service generally in allowing that to happen. Perhaps we ought to consider a mechanism such as a continuing commission on government operations and management, recognizing that it is large but recognizing at the same time that, as a result of the attitudes of government and the necessities of society opportunities in the public service were opened up but that they should not be expanded like a balloon and then knocked down. It is most unfair for the people in the public service. It should be a kind of continuing operation.

The hon. member for Winnipeg North mentioned the level of compensation in the public service. In the higher levels of the public service of this country, the deputy ministers and assistant deputy ministers, we have in fact the highest paid public servants, dollar for dollar, and comparing dollars to pounds sterling or francs, compared with any public servants in the world.

Mr. Orlikow: Higher than in the United States.

Mr. Baker (Grenville-Carleton): What has happened with respect is that somehow the rates of compensation between those high levels and those on a somewhat lower level have got out of alignment. The differentiation is too great. We go from this extreme height down to levels of compensation that are just above the established poverty level. I think we must examine that, not only from the heights but from the lower areas as well, and in that examination we must be prepared to look at the duties of

the public servants and to expand them to take the place of the army of consultants who march in and out of this city.

● (1740)

When consultants do that, they are actually adding a little piece of wood to the pile of wood, which sometimes leads politicians to say that the size of the public service should be frozen, although I for one do not know how we can freeze the size of the public service. We may be able to check the rate of its growth or challenge it more, but that can be left for another day. That is perhaps outside the principle of the bill.

We are now talking about decentralization. At one stage I raised a question on the floor of the House with the minister about the intention to decentralize in a period of restraint. That is a great thing for the areas which will receive the agencies of government. In Matane there is a cheque processing unit, in Winnipeg there is the Mint, and so on, but I suspect that there is no criterion established with respect to the movement out and the decentralization of the public service other than the creation of employment.

I suspect that the minister has a mandate to decentralize. What will he do? I would bet that this will be borne out by the facts: he will ask all his officials what departments could be moved. That is not establishing a criterion. That is taking the administrative point of view, because there is no examination of what might happen if an area of undertaking within a department, a branch of a department, or indeed of a whole department is moved out, in terms of its function and as to whether that movement may do nothing more than create another element of bureaucracy.

I suspect that what is happening with respect to the government's program is that it is considering decentralization from two points of view, the first being the creation of the presence of the government, and therefore employment and benefits, in certain areas of Canada, and secondly, reading the secret cabinet documents I released on September 3, 1975, it is tied into the whole program concerned with units working in French, none of which has to do with the efficient operation of the public service of Canada.

These are the things which worry me as a representative of a constituency in the national capital area in terms of the public service. I do not want to occupy too much time of the House with respect to this matter, but obviously I feel very strongly about it. I hope hon. members will not talk the bill out but will let it go so that we can examine in a committee the problems I have raised in, I hope, a constructive sort of way, and the problem raised by the hon. member for Wellington because I think it is relevant to the form of the bill, and it could lead to an amendment.

If I understand what the hon. member for Winnipeg North is saying, the 125,000 or so people which each of us represent have the right to information and to more than lip service. They have the right to access. He used the vehicle of the *Canada Gazette*. Frankly I would not favour that myself; I would favour a central registry. I do not like reading the *Canada Gazette* any more than anybody else, and I will wager that no one here takes that publication home and tucks it under his pillow at night. The hon. member for Assiniboia (Mr. Goodale) says he does. I suggest that he should have two pillows, and he would if he took the *Canada Gazette* as it is envisaged by the hon. member for Winnipeg North.

[Mr. Baker (Grenville-Carleton).]

The principle of this bill is very sound, and I hope some consideration will be given to it because it is very important that things are done properly as far as is humanly possible. It is perhaps even more important that they appear to be done properly. We always talk about ours as a free society. It is very important in a free society that all people, whether inside or outside this House, have access to all information, and that the emphasis we give to the guidelines with respect to order paper questions which could be answered by ministers in the House should be extended to include disclosure, and not something less than complete disclosure, recognizing of course that there is the matter of the security of the state and the right to proprietary information in some very narrow categories.

I want to commend the hon. member for Winnipeg North for bringing this bill forward because it has given this House an opportunity to consider a very important matter. I hope that when the hon. member for Wellington said that he was going to have to vote against the bill—as much as I regret that decision—it was at least an indication that we are going to have an opportunity to vote.

[*Translation*]

Mr. Gilbert Parent (St. Catharines): Mr. Speaker, I think that perhaps I agree this afternoon with the hon. member for Winnipeg North (Mr. Orlikow) but as my colleague from Wellington (Mr. Maine) as shown, it would be very costly to publish all those contracts in the *Canada Gazette*. I think that they could be published somewhere else where they could be examined to obtain further information.

[*English*]

However, having said that, I find that there are some nagging questions which come up with regard to this problem. I agree with the hon. member for Winnipeg North that possibly this is information to which the public should have access. However, I wonder whether by definition a consultant who is hired by the government and becomes an employee of the government should not be afforded the same protection of—I do not like to use the term secrecy as did the hon. member for Grenville-Carleton (Mr. Baker)—the same protection of confidentially when he raises some of the points which the government is currently discussing and which, by their very nature, could be very delicate as far as the public is concerned.

The question is: what can be considered of a delicate nature? Incidentally, I disagree with the hon. member for Grenville-Carleton in that I think this is a potpourri, so to speak, for patronage. I hope this government and all governments would be above this type of thing.

I note that this has never occured, for example, in other governments such as that of British Columbia because they are discovering things now as to the honesty and as to how well that government stayed within the bounds of legality. I will not stretch this point any further.

To get back to the matter of confidentiality, I think that people who are hired by the government should be able to do their jobs without interference. When they are acting in the public interest there should not be any coercion. It

might be asked how coercion can exist. I will cite a case of which the hon. member for Winnipeg North will have knowledge with regard to the dispensing of LIP grants. Those people are in a sense consultants, and notwithstanding the fact that they are not paid and do not have contracts, we still try to give them the type of confidentiality we would extend to any other person in the government administration.

● (1750)

When I select a citizenship advisory group to advise me in my riding as to which projects they think would be most worthy of government assistance, I hesitate to release their names prior to their having made their decisions.

[*Translation*]

Now if you ask me why those names should remain confidential, the reason is the following. The first time that LIP grants were given in my constituency and the names of those persons were published, they received many phone calls to ask them to do such and such a thing or help a special group. Those people are not in politics as we are. This is why they have been asked to advise us what to do. They are constantly disturbed by telephone calls, even at work.

[*English*]

If those people in some way have to be protected so that they are at least anonymous and not subjected to the pressures of public life that we are, there is all the more reason for these consultant firms, I would say.

There is another problem which perhaps the hon. member for Winnipeg North might not have considered, and that is consistency. He pointed out that these were just contracts that were not already noted in the government service. I think that would be fair ball, but I wonder if in the name of consistency the hon. member should have included not only the people who are getting contracts as consultants but everyone in the public service—if there is indeed a contract signed by two individuals should not those contracts also be listed?

Mr. Orlikow: It is done in Manitoba.

Mr. Parent: I was told by the hon. member for Nickel Belt (Mr. Rodriguez) that Manitoba has a very advanced government. I question that because it is not a Liberal government. I do not wish to bring politics into this very above board discussion this afternoon, however. But I would say we might have a lot to learn from the government of Manitoba, just as we had a lot to learn from the government of British Columbia.

The Acting Speaker (Mr. Turner (London East)): The hon. member for Winnipeg North (Mr. Orlikow) on a point of order.

Mr. Orlikow: Mr. Speaker, I want the hon. member to know that the practice of listing the salary of every senior civil servant in Manitoba was inaugurated by a Liberal government, continued by a Conservative government, and is maintained at the present time by New Democratic Party government.

Mr. Parent: Now I know what the hon. member means when he says it was a wise move. It was brought in under a Liberal government. I thank the hon. member for pointing that out. A colleague says the list has lengthened somewhat in these past years.

When we are dealing with confidentiality, Mr. Speaker, we are dealing with a matter of such delicate proportions that I think we must deal with consistency. I came across something which deals with consistency and I should like to share it. I do not say I necessarily agree with everything written here, but I think it points out some of the pitfalls of listing all of these contracts in Canada, at great expense as the hon. member for Wellington pointed out.

In a paper presented to the Twelfth Annual Conference of the Institute of Public Administration of Canada at Banff, Alberta, from September 14 to 17, 1960, Mr. S. H. S. Hughes said:

> The third rule of conduct which I would like to propound is that of consistency. I noticed recently in a magazine produced by a well-known manufacturer of business machines, among a number of other aphorisms, the following attributed to the latter-day American sage William Allen White, "Consistency", quoth be, "is a paste jewel which only cheap men cherish." The lot of the aphorist is a hard one, because so much sense has to be sacrificed to form, and wit and wisdom do not always go hand in hand. Making all the usual allowances for misquotation and removal from context, it would be difficult to find a more preverse observation, particularly when applied to the subject of administration.

Indeed I would say when applied to all public life in which we are involved. To continue:

> Consistency is as important in administration as it is in law—

And as it is in politics—as consistent as you can be under given circumstances.

An hon. Member: What about the Tory leadership?

Mr. Parent: I would prefer to stick to the point. This is what we are dealing with, and I know my colleagues will appreciate what we are trying to get at. Mr. Hughes went on:

> Yet consistency has its drawbacks, as anybody who has the experience of being told "I cannot do this for you because if I did I would have to do it for everybody else" can testify. To each member of the public, his own problem is paramount, and it is of little comfort to him to be told that the requirements of consistency, in this respect, are all that stand between him and the beneficence of a warm-hearted civil servant who would otherwise be glad to help him. And yet here I think the public must be told emphatically that without consistency in administration there can be no real justice.

Without real justice you cannot have equality and without this type of equality I submit to you, Mr. Speaker, that no matter how much divulging is done, as the hon. member for Grenville-Carleton says, you are still going to be faced with the question: "Is this all there is? Is there more?" Are we going to print more books and who is going to read them, Mr. Speaker?

The article continues:

> A capricious, changing, unpredictable policy can only be a reflection of the minds of men who make it. It is only necessary to consider a situation where consistency is not observed, and which results in different treatment being given in individual cases where the facts and the law are the same, to realize that a position typified by the observation "I will do it for you but not for him" is indefensible.

As indefensible in this House as in any court of law, or any other circumstance where the public is concerned, I

submit. I notice it is six o'clock and my time is just about up, Mr. Speaker.

The Acting Speaker (Mr. Turner (London East)): Order, please. It being six o'clock, I do now leave the chair until 8 p.m. this day.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, before private members' hour I was discussing the dreadfully difficult situation which has arisen from the government's action in connection with this bill. The difficulty has little to do with the bill itself, as the bill seeks to establish a principle on which there is no significant division of opinion either in the country or in the House, namely, that there ought not to be any special privilege for magazines which operate, in the main, offshore, so to speak, but which also print editions for this country.

The difficulty which has been alluded to on second reading, and now, during report stage, has been compounded by the government's imposing on the magazine policy of Canada a discriminatory aspect which ought not to exist in any Canadian law expressed in the form of statute or regulations. In the present instance the sin is greater and more reprehensible because the government proposes to enact regulations by ministerial edict.

Before the dinner adjournment I suggested what we, of this House, feel about the place of government, about parliamentary responsibilities, and about the duties of people in politics. I suggested that we look on administrative tribunals as a sort of second level of governmental structure which operates independently of the political structure of government and is not responsive to the political process in a free society. The particular statute we are discussing would create a tribunal, under the aegis of the Minister of National Revenue (Mr. Cullen), which cannot even be graced with the appellation "administrative." Here we have discrimination at its worst.

First the government changed the rules which, to begin with, have been shown to be patently unfair. What was done ought not to have been done, particularly if one

considers the commitment to an important industry with regard to the existence of certain rules. But it has gone one step further. Having changed the rules, the government has decided that magazines coming from offshore, or other countries, fall into two categories, two classes. They say, that *Reader's Digest* should be given special treatment; as for the treatment of *Time* magazine, it is nothing but unfairness compounded by unfairness, inequity by inequity and, I suggest, stupidity. Is it any wonder the people of Canada have their doubts about the government? Is it any wonder, as Mr. Geoffrey Stevens said in this morning's *Globe and Mail*, people think that in Ottawa we have a government so confused it does not know what it is doing?

Mr. Guay (St. Boniface): Come off it.

Mr. Baker (Grenville-Carleton): I hear the government whip muttering under his breath. That was not my judgment; it was the judgment of an independent person who looked at the government's record. If there was ever an example of a misapplied policy, this is it. I wager that the change of heart took place not because the government was following a principle, but because it had departed from it. I suggest that a number of Liberal backbenchers were as dismayed as hon. members on my side of the House. They shared the dismay of many other Canadians.

Hon. members talk about the Cullen rule. I might say that I have great admiration for those who defy the whip, particularly on the government side of the House, and stand up to speak. I appreciate that. I admire them. I encourage them as well. They are joining a growing mass of Canadians who are looking at this legislation that is applied without benefit of legitimacy in terms of anything written. Rather, it is applied in terms of justice that could vary with the length of a chancellor's foot, and even vary with the chancellor or the disposition of the minister or the government, or the influence of that minister or the government. That kind of variation makes it a mockery in terms of those principles that ought to govern the life of this country. As I said at the beginning, I have no hesitation in saying that I admire anyone who is prepared to stand against that kind of application.

● (2010)

Mr. Geoffrey Stevens, in a column in this morning's *Globe and Mail* on the "Cullen rule" wrote, and I quote:

> The "Cullen rule" was obnoxious on several grounds. It had no basis in law (and Mr. Cullen admitted as much when he said that, if the courts did not uphold his interpretation, the government would change the law).

That is brave stuff.

> Unlike Bill C-58, the objective of the "Cullen rule" was simple discrimination—to force *Time* and *Reader's Digest* to abandon their Canadian editions, regardless of whether they met the Canadian citizenship requirements of C-58. And, given the realities of Canadian publishing, the "Cullen rule" meant that Canada would probably never have a magazine which reported fully to Canadians on events beyond our borders.

He went on to say that the rule is asinine. I respectfully suggest that if that term were parliamentary, it could be applied to the government.

Mr. Alexander: We get the message.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Mr. Stevens went on to say:

This week, the government demonstrated that when it tripped on the second step, it had hit its head and scrambled its brains. Mr. Cullen announced that the 80 per cent rule would be waived for *Reader's Digest*, but not for *Time*.

That is the end of the quote. There are many in this House, and I am one, who are delighted to see *Reader's Digest* saved. We are receiving the correspondence and input from our constituencies. However, it is wrong for it to be saved in a way that is without principle, without rhyme or reason except for the worst kind of expediency. It sets a precedent that will make it easier for the Secretary of State (Mr. Faulkner) and the Minister of National Revenue to do the same the next time they are in trouble. Those are not the actions of a government that knows what it is doing. They are not the actions of a government that has any principle or—

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member, but there seem to be quite a few debates on this side of the House. Perhaps some of these could be continued behind the curtain.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Thank you, Madam Speaker, for intervening. I really do not mind the debates on the other side. I live with the fond hope in my heart that they will be productive. I hope that they will screw up the courage of some of their members to stand against this bill.

I hope that some members opposite, if they support the position of the government, will think of the principle for which they stand. It is wrong? Indeed it is a non-principle. It is administrative law of the worst kind. As I said earlier, none of us particularly like the growth of administrative tribunals, but at least they permit hearings. The hearings are in public. There is a rule of practice and procedure to govern the conduct of the administrative tribunal and its consideration of the facts before it. But if this matter is allowed to proceed as the government intends it to proceed, there will be none of those precautions. It is unsound and unwise for this House to give any encouragement to these ministers in the circumstances.

In the government feels strongly about the question of principle, the whole matter of natural justice, and the proper body of administrative law, it will withdraw this bill, rethink the rules and its attitude and come back to the House with something new and better, something that shows there is a foundation for thinking it has a feeling for justice and equity. That is the issue. I hope that the number of members of the government side who are opposed to this grows. More than that, I hope that those who are opposed to it have the courage to stand in this House and say so.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on motion No. 2 (Mr. Fairweather). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

The question is on motion No. 3 (Mr. Roy (Timmins)). All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred. The House will now proceed to motion No. 4.

Mr. Norman A. Cafik (Ontario) moved motion No. 4:

That Bill C-58, to amend the Income Tax Act, be amended in Clause 1 by adding immediately after line 14, at page 1, the following:

"(2) Notwithstanding the provisions of this Act or Regulations, a periodical shall be deemed to be a Canadian issue of a Canadian periodical if 75% of its Directors and ownership are Canadian and its editing and publication functions are controlled and conducted in Canada and not more than 40% of its contents, excluding advertisements, were first published in a single periodical outside of Canada.

(3) Periodicals which were deemed not to be an issue of a non-Canadian periodical prior to the coming into force of this Act shall continue to be deemed to be a Canadian issue of a Canadian periodical for a period of two years following the coming into force of this Act provided notice of intention to publish in compliance with this Act has been filed with the Minister within one month of the coming into force of this Act."

He said: Madam Speaker, I must admit right at the beginning in moving my motion, and indeed in speeches I have already made on Bill C-58, that I find it extremely distasteful as a human being and a person to oppose the Secretary of State (Mr. Faulkner) and the Minister of National Revenue (Mr. Cullen). I think these gentlemen are people of honour and conviction who are genuinely trying to do something for the publishing industry. I have very great and high regard for both of them. Nonetheless I find it incumbent on me to move motion No. 4 in opposition to the bill which has been presented to the House.

● (2020)

Some hon. Members: Hear, hear!

Mr. Cafik: I suppose I can in some way justify myself to my colleagues by saying that I, as a person, refuse to disown my own principles for my own personal benefit and certainly cannot be expected to do so for someone else's. I have great respect for these men and I have a great respect for the opinions which have been presented on behalf of the government and by those who support the bill. I can only hope that those on the other side of the issue will have an equal amount of respect for those who differ with them. There is in this instance a genuine disagreement as to what is the best thing to do in the Canadian publishing field.

I am sure my feelings are shared by all members of the House of Commons when I say I strongly support the stated intention of this bill, that is, to assist the Canadian publishing industry. The question is: does the bill before us achieve that objective, or are there better ways in which this could be done? I think there are.

Because of the importance of the bill and the fact that it is a government measure, in the early days of Bill C-58 I took extraordinary steps to try to become acquainted with all sides of the question. I telephoned and wrote to all those directly affected, including *Macleans, Time, Reader's Digest, MD of Canada* and *Modern Medicine* asking them to present their views to me so that I might be able to make an informed judgment. I also discussed the matter with members of the government and with my colleagues in my own caucus. I did so to feel satisfied in my own mind that the decision I was about to arrive at was, indeed, the right one. I am satisfied I have now been exposed to all aspects of the subject.

I might also say that I am not an advocate of *Time, Reader's Digest*, or of the other magazines affected. I am certainly not a computer printout in favour of any of those publications. I am taking the position I am taking today because I believe it is the right one. I cannot accept the premise that this bill will in fact assist Canadian publishers in the way it should.

The crux of the difficulties in which the Canadian periodical industry finds itself is, in fact, a shortage of advertising revenue sufficient to generate a truly healthy publications industry. In addition, I believe there is a real concern about the effects of unfair competition resulting from the dumping of editorial matter into Canada. These concerns are real and genuine and they should be dealt with by the House in a substantive way.

I notice that the Senate Committee on the Mass Media indicated that there were really two basic problems encountered by the publishing industry. The first was the volume of overflow magazines coming into Canada primarily from the United States. The second was the intense competition in Canada among the various sectors of the media for the advertising dollar. Does the bill before us address itself to either of these central questions? I say it does not.

First, in connection with overflow magazines coming into Canada from the United States, the bill we are discussing does not even deal with the question at all though it is a substantial problem. For example, in 1964, a year for which I have the statistics, the number of overflow magazines coming in from the U.S. came close to 182,000,000. Salès of domestic magazines, excluding *Time* and *Reader's Digest*, totalled 418,000,000. This means that roughly half the magazines which are sold in Canada are in fact produced in the U.S.A. and sold in this country. This may well be a major problem but I have not seen anything in bill C-58 which deals with it or even pretends to do so.

The other substantial question with respect to this issue relates to an entirely different aspect, that is, the amount of advertising money spent in Canada by advertisers which in fact finds its way into the pockets of producers of Canadian magazines. Yesterday, or the day before, speaking on one of the amendments before us I indicated—and I was speaking off the top of my head—that the statistic was 2.8 per cent—that 2.8 per cent of the advertising dollar went into the pockets of the periodical industry in Canada. I have subsequently learned that this figure was not quite accurate. The fact is, it is 2.3 per cent. That is the last figure I have, for the year 1974. In the United States 6.5 per cent of the advertising dollar is spent in the periodical industry. In the United Kingdom it is 8.5 per cent, in France 16.8 per cent, in West Germany 27.9 per cent, and in Italy 33.2 per cent.

The real competitors of the magazine industry in this country are radio, television and newspapers. For instance, newspapers in this country corner 28.6 per cent of the advertising dollar spent in Canada. Television accounts for 14.1 per cent, radio for 11 per cent, business publications 2.9 per cent, and supplements 1.6 per cent. And, as I have said in Canada the periodical industry, to which we are addressing ourselves, gets 2.3 per cent.

It would be interesting to quote from the Senate committee report on the media in this connection. "Most magazine publishers in Canada do not regard the overflow circulation as a primary problem for them. It is simply part of their environment. What they are aware of, though, is the intense competition for advertising revenues between themselves and other sectors of the media. It is a scramble between radio, television, newspapers and magazines for available advertising dollars and the attention of audiences."

Between 1954 and 1968 the magazines' share of total advertising revenues dropped from 4.2 per cent to 2.3 per cent. The bill we are considering does not deal with that question at all. We can see a trend on the graph militating against the publishing industry in this country because of its inability to get a sufficient percentage of the advertising revenue available in Canada. That is a matter the bill fails to deal with at all.

The solution is to increase the amount of advertising from the 2.3 per cent level to a much more significant level, one which would create in Canada a healthy magazine industry.

Diversion of revenue could easily be achieved in the Income Tax Act by declining to allow tax exemptions for advertising unless a minimum of 5 per cent of such advertising were directed to the periodical industry. I would think that a ceiling should be placed on this; to be reasonable, one would not look at those figures in relation to advertisers spending less than $100,000 a year. But if they

spent more than that, surely it would be proper for us to say they must allocate a certain proportion to periodicals. Surely it would be appropriate for us to say that they must divert a certain proportion of that advertising into the magazine industry if we want to pay more than lip service to the industry and, indeed, make it a healthy and prosperous segment of our economy. This would be beneficial to those in the field, the writers and all the multiplicity of people who are involved, and I think it would be a giant step toward creating some kind of cultural identity in Canada through the printed word in magazines.

● (2030)

Let me review for a moment what advertising revenue would be diverted from the four magazines that are primarily affected by this piece of legislation. As for *Reader's Digest*, in light of the recent announcement of its ability to comply with the legislation, obviously there will be no diversion of revenue from *Reader's Digest* to some other periodical in Canada. So from that standpoint there will be nil benefit to other publishers in Canada so far as *Reader's Digest* is concerned.

With respect to *Modern Medicine* and *MD of Canada* I do not want to go through the arguments all over again. I simply indicate that, in my humble view, there will be no diversion of advertising revenue either. The first point to be made in this respect is that these two magazines are free distribution magazines. They do contain Canadian advertisements now, but where would those advertisements go if in fact the two magazines cease publishing in Canada? Would they go to *Maclean's* magazine or to *Weekend* supplements? Anyone who knows anything about advertising knows that that advertising can only go into another trade magazine directed to that exclusive market.

Those who advertise medical products are not going to advertise their products to a group of farmers or to a group of people in the industrial field. They will try to direct their advertising to where it will pay the biggest dividends, which would be in the medical field. To my knowledge there is not one substantive magazine that will pick up that advertising revenue.

There may be some who might argue, as the Secretary of State argued, that in fact these magazines and others will still be available on the newsstands anyway, so there is no problem in regard, for instance, to access to or availability of information for Canadian doctors or others. I simply point out a self-evident feature: those two magazines have never been sold on a Canadian newsstand to date, and I can see no reason for believing they ever will in the future, because they do not have a dollar tag attached to them. So I suggest that argument does not mean much in terms of availability of information to Canadian doctors. I cannot see any likelihood of anyone continuing to publish either of these medical journals in Canada in the future when in fact they do not sell them. They are free circulation magazines.

In respect to *Time* magazine, what diversion of advertising dollars will there be to the Canadian periodical industry? This is a much more difficult case about which to make a substantive point. In my view, as a result of my studies of the question, I have concluded that there will be very little. I base my conclusion in part on this observation, that in *Time* Canada a large percentage of advertising consists of multinational ads, such as Haig & Haig, General Motors or whatever. These corporations also advertise in the United States. According to admissions made by the government, *Time* magazine will still be available in Canada; therefore Canadians will be exposed to the same advertising to a very substantial extent, the difference being that it was bought and paid for in the United States. It comes into Canada and we achieve no benefits from it whatsoever. So I do not really see that there is that much diversion of advertising.

There is another point in this regard. Advertisements which appear in *Time* magazine also have duplicates in many instances within the Canadian magazine. Exactly the same advertisement is placed in two different magazines, not an unusual practice for advertisers. Is it really reasonable to presume that if *Time* is not longer published in Canada they will place two identical ads in *Maclean's* magazine or some other Canadian publication? It is highly unlikely, in my view. In fact I think it is absurd to imagine this would happen.

I have therefore concluded that in terms of diversion of advertising dollars to the magazine industry this bill is just not what its advocates have said it is. In addition, there is the argument whether any diversion that might take place would go into the periodical industry or into some other media, such as radio or television. Clearly in this respect one has no more reason to believe it will all be diverted into the publications field as opposed to arguing that it will be diverted into other forms of media.

I have therefore concluded that the best answer to the problem of genuinely assisting the magazine industry is a reallocation of Canadian advertising, bringing a minimum portion of it to the Canadian periodical industry. I would suggest 5 per cent might be a base from which to start.

Let me next consider the competition aspects of the proposed legislation now before us. There was one very legitimate argument that causes us all some concern, I think, and that is the editorial dumping of material into Canada at rates not compensatory with the cost of generating that editorial material. Indeed that could bring about unfair competition for the Canadian magazine industry. However, does this bill really solve the problem? I do not think it does at all. Although it deals with it in part, we already have legislation on our books directed toward dumping and it would seem to me appropriate that the dumping question ought to be dealt with in dumping legislation.

The next point I am concerned about is the elimination or minimization of competition to *Maclean's* and other Canadian magazines by the removal of other magazines from Canada. Competition is something we all pay lip service to, some of us more genuinely than others. I think we would all agree that competition run rampant is not necessarily a good think and that we must protect our Canadian industries. None the less should we protect them in such a way as to preserve for some in the Canadian magazine industry a virtual monopoly? I do not think this would be in the interests of the Canadian public.

In response to the statement of the Secretary of State in regard to Canadian magazines, let me say that even the magazines that might have to go back to the United States

will still be available in Canada. There is no question that that is largely true. In the case of the two medical journals I would disagree, so this argument really does not cut that much ice with me.

The fact is that *Time* magazine will indeed be available in Canada. The difference will be that there will be no Canadian ownership of *Time*, no Canadian control of *Time*, no Canadian content in *Time*, and no Canadian jobs generated as a result of its sale in Canada. In terms of the global national interest, I think those negative factors ought to be taken into account.

Let me look for a moment at the nationalism question. Have the Canadian people been stampeded into supporting a proposition that effectively makes nationalism a vehicle for wiping out legitimate competition and for lining the pockets of the publishing elite in Canada? I think there is reason for believing that may well be the case. I am nervous about that possibility and think it is inappropriate for a government to contribute in any way to that sort of thing happening. I am not saying it is a certainty, I am saying that I am nervous that this in fact will be the case, and I am not proposing to support the bill for this and a lot of other reasons.

● (2040)

There has been a lot of talk about this nationalism question. I am inclined to think that some would believe this under the guise of nationalism, and I think we are all economic, cultural nationalists in one way or another, and I certainly am. I am not prepared under that banner to come to the conclusion that we must have one set of standards for that which is Canadian and another set altogether which denies fair and equal treatment simply by virtue of the fact that it happens to be a foreign operation with which we are dealing. Indeed we have to protect our industries. I do not care if we nationalize them in many instances, but I do not want to see us simply rejecting or ejecting them from Canada by unfair and inappropriate treatment.

Let us look at the larger question that has been spoken about a great deal in this House, and that is the question of government control over editorial content. I must admit that in principle I have no objection to the government being involved in content regulations. In practice it is an extremely difficult area to be involved in, and I think there are considerable difficulties and dangers. However, I am not one who believes that the CRTC regulations, for instance, respecting Canadian content are bad. Clearly we have to take steps from time to time to encourage our own Canadian artists, writers and so on. I have no objection to these content regulations in principle, but I want to look at them very carefully to ensure that they achieve the objective we have in mind.

If we were to judge the newspaper industry in Canada in the same way we propose to judge the periodical industry in Canada with an "80 per cent not substantially the same as" rule. I am of the opinion on the basis of my research that there would hardly be a newspaper in Canada which would be allowed to publish. I do not know of any, including the Toronto *Star*, the *Globe and Mail* and others, which really could conform to an "80 per cent substantially different" from that which has ever appeared anywhere else rule.

That might be over-stating the case, but the principle is substantially right. We have established one set of rules for a particular publication industry, and have completely ignored those rules in respect of another larger segment. Perhaps there might be some good reason, and we might find if we ever debate it that in respect of the newspaper business there is no government with sufficient political influence to resist the onslaught to which it would be subjected. Politically we could not afford to do this in that industry, and I am not too sure we ought to have a different set of rules in respect of this industry.

This amendment I have put forward defines a Canadian periodical, and I want to deal with my definition of it. Before going into that I want to make a point in respect of the bill the government has put forward, C-58. This bill also defines a Canadian periodical, but not so much through the legislation we have before us but in fact through an interpretation of that legislation which is not before us. This is a difficult thing to accept, and I will deal with that more specifically later.

Effectively my approach to this is to bring within the law before parliament the definition of what a Canadian periodical is so that all of us can debate it and decide whether we agree. My definition parallels to some extent the definition already contained within the law: 75 per cent of the directors of the said firm must be Canadians; 75 per cent of its ownership must be in the hands of Canadians; its editing and publishing function must be controlled in Canada; all of its publication function must be conducted in Canada by Canadians; and not more than 40 per cent of its content can be first published in a single periodical outside Canada.

Effectively the difference is this: the 80 per cent rule put forward by the Crown is really, by my definition, the 60 per cent rule. You may agree or disagree about a few percentage points, and you may even agree or disagree on the subject of whether there should be any content regulations, but I think that all of us should have the right to make that determination within the law itself and not in some regulation or interpretation of the law that is not dealt with by parliament in this bill.

If my definition of a Canadian corporation does not constitute something that is Canadian, then what in the name of God would? That is really the question. In addition my amendment would allow a period of two years in which to comply. This would provide an opportunity for publications which wish to comply to divest themselves of their stock to Canadians, thus avoiding a fire sale or premature disposition of assets in a disorderly manner.

Surely that is not expecting too much when we have had magazines and periodicals in Canada operating under the law for many, many years. We should not turn around and kick them out of the country, or make them comply without giving them an adequate time frame in which to do so.

I have indicated also in my amendment that to qualify for the two-year period they must give a statement in writing to the minister showing their intent to comply within that two-year period. I think that is a very reasonable proposition. Some may argue that it should only be a

year or 18 months. I am game, but one thing I am not game for is that there is no time at all. I believe the approach I have outlined would in fact help guarantee a healthier Canadian magazine industry than the approach presently being proposed in Bill C-58.

Yesterday the Secretary of State in an interesting, quite informative, and very good speech, indicated the difficulty in respect of the possibility of split-runs that might occur in Canada if the not substantially the same as provision were interpreted as being less than 80 per cent. That is a good argument, and I must admit it gives me some concern. However, reducing the 80 per cent interpretation to 60 per cent in my view would not really cause that kind of problem.

I should indicate that the problem of split-runs does not exist in Canada today under the existing law, except in possible cases of U.S. publications which are already resident in Canada. It is the introduction of the new law, Bill C-58, that gives rise to the problem about which the minister seems concerned. It is not those who oppose this legislation who are creating this difficulty, but in fact those who propose Bill C-58.

I should also make a point in response to the observation by some in respect of the fear that Americans or others would come into Canada and take over the ownership of existing periodicals and, therefore, be able to have a hybrid magazine, half American and half Canadian. Surely I do not need to draw to the attention of the House the existence of the Foreign Investment Review Act. Surely we all know it is not possible to do that if it is concluded that it is not in the public interest to do so. So that is really a red herring as far as I am concerned.

● (2050)

I have grave reservations about the law in respect of the ministerial interpretation aspects. Many have expressed that reservation; none, however, have touched the central point of the real, legitimate objection to this question. I think it has been overlooked. Clearly it is advisable to have the essence of a bill within the bill itself wherever that is possible. We all agree with that.

Some have suggested that the Crown should not interpret the law. That to me is an absurdity, for how can the law be applied unless it is interpreted? The Leader of the Opposition (Mr. Stanfield) implied that and others have suggested it, but I will not debate that point. That is my understanding and I do not want to make an issue of it.

The essential role of the Department of Justice, in my view, is to assist the Crown in the interpretation and application of the law. The essential new factor being brought out in this legislation and in the interpretation of "not substantially the same as" is that the Crown is interpreting those words in such a manner as to achieve a policy objective, and is the Crown really entitled to do so?

Is, in fact, the Crown entitled to interpret the letter of the law against itself, interpret it in such a way as to render its literal meaning meaningless? I say, definitely not. Is it not the obligation of the Crown to interpret the law as it believes it would be interpreted by a court, as it believes that interpretation would be upheld by a court? The Crown, in my view, has chosen an interpretation to suit its own purposes, not an interpretation which it believes can be upheld. If it believed it could be upheld in court, why the suggestion that if it did not, we will change the law? This appears to me to be a departure totally contrary to the normal methods of application of the law.

On the contrary, in the case of expropriation, on which I have considerable experience, the law is interpreted in a very narrow and harsh way against the people under the umbrella that the Crown has no choice because it must follow the law like everyone else. Can the government of Canada have it both ways? If it is right to interpret "substantially the same as" to obtain a policy objective, then why can we not interpret the Expropriation Act to achieve justice rather than victimize the expropriated? Essentially, in a democratic society we should live under the law, not under the arbitrary rule of men. In the British system the law must stand or fall on its own words.

The Secretary of State implied an element of obstructionism in respect of this bill by some members of parliament. I must say that I do not feel guilty of that in any way. Indeed I have spoken out and I intend to continue to speak out on this bill. I have no intention of being silenced, but I have no intention either of delaying this bill to prohibit parliament from coming to a quick and speedy decision in respect of it.

I am delighted that *Reader's Digest* has indicated its ability to comply with the law. Like many others I wonder what really happened to make it possible. On June 4, 1975, I suggested my real and genuine concern for the uniqueness of *Reader's Digest* and its reprint operations in Canada. I am delighted, whether anybody admits it or not, that there appears to be a different application of this law in relationship to such types of magazines, and I am pleased that they can comply. I think most of us in this House would agree with that.

Now I want to make another point about an observation made in respect of the committee system. Some have indicated a genuine concern that the committee system fell down in terms of its application of Bill C-58. I do not basically feel that way. I think that the essential criticism in connection with the handling of Bill C-58 in the committee is that the government did something particularly and notably stupid. I believe that it is simply counter-productive, even in political terms, to deny at least some people who oppose a bill, if they happen to be on the government side, membership on a committee. A lot of the heat would have been taken off had this not occurred.

Some hon. Members: Hear, hear!

Mr. Cafik: I cannot say that I was denied access to the committee, even though I was.

Some hon. Members: Hear, hear!

Mr. Cafik: What I really mean is that I was not overtly denied access to the committee, but effectively I was denied it. I put my name down to sit on this committee long before the bill ever got there and I was assured that I would be able to sit on it. I must admit that since 1968 when I was elected I never wanted to get on a committee and failed to do so, but in this particular case—

The Acting Speaker (Mrs. Morin): Order, please, I am afraid the hon. member is straying from his own motion.

Mr. Cafik: O.K., Madam Speaker.

Some hon. Members: Go on.

An hon. Member: It's pretty good.

Mr. Cafik: All I am saying is that I could not sit on the committee, but I am in the House and I shall express my views here.

Some hon. Members: Hear, hear!

Mr. Cafik: In conclusion, to close off this perhaps too lengthy speech, I should like to say that I oppose Bill C-58 as it presently stands unamended for the following reasons:

First, it does not achieve its objective of enhancing the Canadian periodical industry in any real or substantive way.

Second, it creates a false impression that it does so.

Third, it embodies a departure from the traditional means of legislating by having its fundamental application outside of the bill presently before parliament. On principle I cannot accept this approach.

Fourth, the consequence of its passage would create a near monopolistic situation in the publishing industry, which is against the public interest.

Fifth, it is a distortion of true cultural and economic nationalism. Essentially it extends the definition of Canadian to something other than that which is Canadian. Canadianism in this context is irrelevant, content becomes the relevant factor.

Sixth, its effective application will mean a net loss of jobs, job opportunities, and economic benefits to this country.

Seventh, it seeks not to give Canadian control over publishing activity in Canada, which is not now Canadian, but in fact makes it a virtue to force such Canadian subsidiaries of foreign publishers outside of Canada altogether rather than to Canadianize them.

Eighth, it would make more sense to Canadianize that which is in Canada than it does to bring forward a bill which has the potential of defining that which is Canadian as foreign. The real danger of this bill is that *Macleans* magazine could be considered a foreign periodical if it does not watch out.

Ninth, it would make more sense to assist positively the Canadian publication industry through positive action and the direction of more advertizing to it than it does to insulate it from competition and to guarantee for posterity a hothouse publication industry incapable of standing on its own feet in the world or in the marketplace.

Finally, its primary thrust is a holding out of false hopes to publishers and paying little or no attention to the interests of the consumers.

I urge that all members of the House support my proposed amendment. By doing so I believe that we shall improve the present legislation, bring the substantive provisions of the law under statute, resist passing a law in the interest of the elite against the interest of the many, substantially provide economic benefit to Canada, enhance our employment opportunities for Canadian writers, and give more than lip service to the legitimate and genuine concerns expressed by the Canadian people.

[The Acting Speaker (Mrs. Morin).]

● (2100)

Mr. Baker (Grenville-Carleton): Madam Speaker, would the hon. gentleman permit a question?

The Acting Speaker (Mrs. Morin): The hon. member's time expired at one minute past nine. There would have to be unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): Will the hon. member for Ontario (Mr. Cafik) allow a question?

Mr. Cafik: By all means.

Mr. Baker (Grenville-Carleton): Madam Speaker, I do not want to detract from the magnificent speech made by the hon. member, but at the beginning of his speech he spoke about a tax allowance which he would propose, or a new form of permission in order to have an exemption for advertising placed in periodicals. I should just like to confirm that no allowance would be permitted unless 5 per cent of advertising revenue were diverted into the periodical field. I think the hon. member said that, and then he spoke of a limit of $100,000. It was that aspect of his comments which I did not hear. I wonder if he could help me with that.

Mr. Cafik: Madam Speaker, I appreciate the question and the opportunity to clarify this particular point. What I am really saying is that to divert advertising into the periodical industry it is better to have the kind of limitation I spoke of earlier, and to which the hon. member referred, but I did indicate that for practical purposes it would be extremely difficult to expect everyone who advertises at a cost of $100, $1,000 or $10,000 to divert a certain portion of it to the magazine industry. However, those who are large advertisers—and that is why I set an arbitrary figure; perhaps $100,000 is not appropriate—and advertise at a cost of $100,000 per year ought to be forced to divert at least 5 per cent of that advertising into the periodical industry. That would double the amount of advertising available to magazines in Canada, and in my view it would make it a much healthier industry and create many new and desirable Canadian publications.

Mr. Jake Epp (Provencher): Madam Speaker, in speaking to the motion put forward by the hon. member for Ontario (Mr. Cafik) I should first like to commend him for making known his views on the Canadian publishing industry and for expressing in a very positive manner what he thinks could help it. He obviously came to the same conclusion many of us did, and that is that Bill C-58 will not help the Canadian publishing industry. The arguments which have been made that it will help merely raise false hopes, and they are raised for people who very often are unable to compete in the market place but think they should have the right to do so.

The hon. member for Ontario did not sit on the committee, for his own reasons or for others. There were other hon. members who wanted to sit on the committee, and I

say to the minister and to the government that if the whips would come off, there would be a number of other hon. members opposite who would agree almost totally with the points the hon. member for Ontario just finished making because Bill C-58 through second reading, through the committee, and now in the report stage has been a shell game, in that the government has been trying to push something through this House which is supposed to do something it will not do.

Mr. Fleming: Oh, oh!

Mr. Epp: The hon. member objects to my saying that the government has been trying to push it through, but the hon. member knows that very well. He sat on the committee with us, and there was *de facto* closure. The minute the committee sat we were told that it would not sit beyond the Friday, and no matter what we said, whom we wanted to bring in as witnesses, or how many times we wanted to sit, the hon. member was one who kept insisting that the committee could not sit beyond the Friday. He spoke against—

The Acting Speaker (Mrs. Morin): Order, please. I am afraid the hon. member is straying from the motion. Perhaps he could limit his comments to the motion.

Mr. Fleming: Madam Speaker, I have a question of privilege. I simply want to correct the hon. member. I do not remember repeatedly insisting. I simply remember supporting the motion that we get on with this bill because the bill had been under consideration for a year, or almost a year at that time.

Mr. Epp: Obviously the hon. member is just as touchy in the House as he was in the Committee.

An hon. Member: Look who's talking.

Mr. Epp: I am rather enjoying the manner in which hon. members opposite are trying to take the load of guilt off their minds after one of their members has shown them so clearly to be as empty as they are.

Some hon. Members: Hear, hear!

Mr. Epp: If any of them wish to make a speech, I will gladly relinquish my place. However, they were not able to speak in committee, and they do not want to speak here either.

I am trying to get back to the amendment, and I will as soon as the warblers on the other side quit singing.

I have the same difficulty with the motion before us as I had with the one we discussed yesterday which was moved by the hon. member for Fundy-Royal (Mr. Fairweather). At that time I stated that in principle I was opposed to a content rule as such, that is, I did not like a content rule established in statute, through regulation, as the Minister of National Revenue (Mr. Cullen) would like to have it, or anywhere else. I would much prefer an operation whereby the government in general principle establishes what it would like to see in the publishing industry. *Reader's Digest* tried to be a good corporate citizen and to become part of the Canadian family of Canadian publications, so to speak.

I have difficulty with the first part of this motion in that it calls for 60 per cent being not substantially the same, but it does have my support for one reason—notwithstanding the caveat I just placed before the House—and that is that at least the hon. member for Ontario is trying to define for the House, for Canadians, for publishers and for everyone concerned what the regulations are. He wants them placed in the statute, and that has my support.

Just to show the manner in which this whole issue has been clouded again, a so-called deal has been made with *Reader's Digest*. By not placing the ground rules into the statute the minister is able to interpret in such a way that one magazine is in and the other is out. If the minister's moods change, these magazines will depend on his good wishes. Therefore the hon. member for Ontario has my complete support for at least trying to define for the House and for Canadians what qualities a magazine must have in order to qualify as a Canadian magazine for tax purposes.

Why are we considering only *Reader's Digest* and *Time* Canada? Why not the newspaper industry? Would the newspapers that we read every day qualify under the regulations which the minister said will operate after passage of Bill C-58? These newspapers get many of their stories from UPI, Reuters, and Canadian Press. UPI and Reuters are foreign wire services, but the minister and the government have chosen that they be not regarded as foreign material. The government's approach to the whole question has been so arbitrary that it is almost inconceivable that it thinks that members of parliament and the Canadian public would accept the minister's interpretation, just rubber stamp it, and allow it to become the law.

● (2110)

It is clear that this legislation will not enhance the Canadian periodical industry especially since the decision has been made to allow *Reader's Digest* in through the back door. The constant argument put before us in committee was that *Reader's Digest* and *Time* were taking too many advertising dollars and that if they did not qualify for the available advertising money it would go to Canadian magazines. Now that *Reader's Digest* can continue to exist surely that argument does not hold. But that is the impression proponents of this bill are trying to foist upon members of the House and Canadians generally.

Some of the members opposite have come to me in private asking why we worry about the details at this point. They say, "We have saved *Reader's Digest*, so why be concerned?" Madam Speaker, it was not a matter of worrying how to save *Reader's Digest*. That was not the point. The point was that we wanted the government to define what a Canadian periodical was, and to have that enshrined in the statute. That way we would know what the ground rules were, but that has not happened.

The hon. member's motion at least attempts to show his government colleagues that we need to know what the ground rules are, but I get the impression they are going to ignore him. I believe their minds were made up long before the debate on second reading began. Indeed the hon. member for York West (Mr. Fleming) told us that we spent so much time on second reading that the bill should now go through. Surely that is not the issue. We still do not have in the legislation the qualifications that a periodical must

meet to be considered a Canadian publication for tax purposes.

I frankly believe that the government has advisers with vested interests in the Canadian magazine industry who tried to get the percentage of "not substantially the same" high enough that they knew *Reader's Digest* and especially *Time* would not be able to function as we have known them. Time and after time *Maclean's* magazine and the Canadian Periodicals Association argued that 80 per cent was the absolute minimum they could live with. At one point the representative of the Canadian Periodicals Association said they wanted 100 per cent but had discussed the matter with the minister—even though later on it was denied that they were in on the negotiations—and they would be satisfied with 80 per cent. I do not see how that attitude can have changed now with the so-called *Reader's Digest* deal, because the 80 per cent is interpreted in such a way that it is meaningless relative to the way the representations were made by those two organizations.

Throughout this debate we have seen the virtual cartel and monopolistic attitude of *Maclean's*. It wants to become the news magazine in Canada. In the past it has not been able to compete with *Time* Canada so it is saying that in order to compete we must remove the competition, and it has the government and the minister doing the dirty job for it. The facts are quite clear, Madam Speaker. That is what is happening in Canada right now.

Let us look at *Maclean's* magazine, Madam Speaker. As with any other product, you and I can choose to buy it or not. Its problem was not that it could not sell advertising but that Canadians did not want to buy *Maclean's* magazine in the volume needed—

Mr. Woolliams: Yes, they wrote "Renegrade in Power".

Mr. Epp: —in order to function as a news magazine. Then it published bi-monthly in the anticipation that the government would be able to ram Bill C-58 through the House. I believe it was the hon. member for Vancouver-Kingsway (Mrs. Holt) who said in committee that this was the tender blossom we were going to nurture. Surely *Maclean's* can stand on its own two feet. Why do we have to go through this in order to protect this magazine?

The hon. member for Ontario has made an honest attempt to lay specific ground rules by which everyone can operate but I am fearful that the government is turning a deaf ear to one of its own. The second part of his motion proposes a two year hoist during which magazines which are not presently Canadian would be able to divest their foreign stock and achieve the minimum of 75 per cent Canadian ownership. I do not know in what manner *Reader's Digest* would divest itself of its foreign interest in order to qualify under the 75 per cent rule, but the hon. member's motion calls for a two year moratorium.

I am convinced, that in this so-called deal *Reader's Digest* has been given a certain amount of time to divest itself of its foreign holdings. How much time was it given, Madam Speaker? What was the deal, how long can it function without meeting the 75 per cent criteria? The minister has not chosen to tell us, yet we as members are supposed to accept his assurances that he has everything under control—but do not ask about the details, just rubber stamp what he is doing outside the House.

Mr. Woolliams: Trust him.

Mr. Epp: Yes, trust him. The way we have seen these people operate since 1968, I think trust is the last thing we can give them.

Through you, Madam Speaker, I ask the Minister of National Revenue how long *Reader's Digest* was given to divest itself of enough foreign interest that it would qualify for the 75 per cent Canadian ownership rule? We do not know that, and I think it is incumbent upon the minister to tell us. The hon. member for Ontario asks for two years. For all I know the minister gave *Reader's Digest* two years.

● (2120)

Mr. Woolliams: Or perhaps five years.

Mr. Epp: Perhaps five years; who knows?

An hon. Member: Are you questioning the minister's integrity?

Mr. Epp: I do not think the hon. member should speak from his seat. Perhaps he knows how long the magazine was given.

An hon. Member: Two years.

Mr. Epp: I suppose the hon. member knows.

An hon. Member: I trust the minister.

Mr. Epp: How naïve. I assume that hon. members do not know. Some hon. members rise in the House to support the minister's position, in the hope that perhaps they will get some tidbits dropped from the tables of the rich, as it were. The minister has made no definitive statement on how long *Reader's Digest* has been given to comply with the 75 per cent Canadian ownership rule. It is incumbent on him to tell the House. For all we know he has given the magazine two years to comply, in conformity with the hon. member's motion. I predict that even if the government grants *Reader's Digest* two years, it will defeat the hon. member's motion, as it will want to say to the Canadian people, "We will not cave in." That is what it will say.

What can be said about Canadian nationalism, or economic nationalism? We have heard much talk these days about how we are to repatriate our national identity, as it were, or our nationalistic identity. If *Maclean's* ever becomes the arbiter of Canadian nationalism we shall be in trouble. As it is that magazine is given almost carte blanche to define what is Canadian and what is not. That raises an interesting point. Just before the Christmas recess when the committee sat, *Maclean's* took the position that it is the leading Canadian news magazine; yet strangely it said nothing about the work of the committee discussing Bill C-58. I suppose it would have been hard for the magazine to be objective about Bill C-58 in view of the particular interest, the tie-in, so to speak, *Maclean's* had in the bill. So it ignored the committee. Perhaps that was better than saying something hard to substantiate.

Surely passage of this bill will not promote Canadian nationalism. What is it in our thinking that says we can compete only if we stack the rules? Why do we think we can compete only if we stack the deck? To illustrate my

point I wish to read part of an editorial appearing in today's Toronto *Sun*, a newspaper known for its economic nationalism.

Mr. Symes: It is a great, progressive journal.

Mr. Epp: Finally I agree with the hon. member for Sault Ste. Marie (Mr. Symes) who calls the Toronto *Sun* a progressive journal. I never knew he had such insight. I can see that he is learning. He is listening to Conservatives and learning. Perhaps there is hope for him.

The editorial in the *Sun* said in part:

> We are becoming petty, piggy nationalists. Ottawa encourages the stealing of American TV programs and the inserting of our ads for something we haven't paid for; Ottawa gives public money to artists and writers which, far from developing new talent. tends to encourage old mediocrity . . .

Bill C-58 is bad legislation which the minister's regulations will make worse. I hope that hon. members opposite recognize the courage of one member on the government side, vote in support of his motion and demonstrate their respect for him, which he deserves.

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, if Longfellow were alive he would write, "Sail on, thou censorship of state."

Mr. Woolliams: Good girl!

Mrs. Holt: May I, before I say any more, introduce a subamendment to motion No. 4 moved by the hon. member for Ontario (Mr. Cafik). I would move, seconded by the hon. member for Timmins (Mr. Roy):

> That motion No. 4 be amended by striking out all the words in subclause (2) after the words 'conducted in Canada'.

In other words, I wish to remove anything that controls content in this country's culture.

Mr. Epp: Hear, hear!

Mr. Woolliams: Where is the great NDP?

Mrs. Holt: I ask the support of my colleagues in the House for the subamendment which would totally remove any content control over our cultural carriers. I would even fight a 1 per cent content control. By the way, it is difficult for me to vote on these amendments because of what happened in committee. Any compromise here would be welcome; but I shall vote for all the amendments in the hope that some semblance of justice can come out of at least two of them.

Some hon. Members: Hear, hear!

Mrs. Holt: I am so positive that Canada's and Canadians' freedom is in great danger with such interference with basic civil rights like the freedom to choose what we read, what we watch on television, what we think, even for that matter in the commercial area, where we advertise, and where we sell our commodities. I would have preferred the amendment to deal also with ownership, because arbitrary figures create ridiculous modes of measurement. I would have preferred language like "controlling interest by Canadians" which would be 51 per cent and up. I fear that one day control will fall into the hands of some of the existing Canadian publishing monopolies whose cynicism, negativism, in many instances contempt and a sort of perpetual sneering at every institution of law and national management, are sorely hurting our nation.

Personally, I admire the work done by *Reader's Digest, Time, MD of Canada*, and station KVOS in Bellingham for Canadians. I immensely admire the work of KVOS and am impressed with their activities; when I compare their works with what we get from the monopoly group, I would almost like to invest, in them if I were free to do so. That is because I trust their policy more than I trust the cultural monopoly power that seems to have Canada in its control and is distorting our institutions.

Incidentally, for the record, I wish to correct the impression the hon. member for Parry Sound-Muskoka (Mr. Darling) left about that tender flower, the Maclean-Hunter group. He talked about the wealth of that monopoly. It is not a Canadian monopoly; it just happens to have its headquarters here. It operates 101 various businesses including technical, consumer, and special interest magazines, newspapers, five radio stations, a TV station, a cable TV system and programming services. Is that freedom? Is that independence? It also has 12 business and technical magazines in England, eight business journals, three cable television systems in the United States, four magazines and six marketing services in South Africa, six publications in key cities in Europe, and so on. As the hon. member for Parry-Sound-Muskoka said, this is the tender flower for which Bill C-58 has been produced to protect.

● (2130)

It is absolutely fundamental to a free society that government must never be allowed to control thought. It must not be allowed to control what people read and what they watch. Anyone who votes lightly on this bill, and I refer to my colleagues whom I respect and admire, should not vote away our basic right, inviting a new era where books not acceptable to our cultural "Fürhrer" are burned. We do not know who will be controlling our culture in the future.

Some hon. Members: Hear, hear!

Mrs. Holt: The Department of the Secretary of State has shouted that the bill—

An hon. Member: Do you support your leader?

Mrs. Holt: I do support our leader, and I have supported many cabinet members. The Secretary of State (Mr. Faulkner) shouted "this bill is not censorship." He, or someone in his department, actually placed a telephone call across Canada to an editorial writer who seemed to understand the English language as well as he does. He, or one of his agents, denied that it was censorship. Perhaps the Secretary of State, his staff, or both, should study the new Concise Oxford Dictionary recently delivered to his office free of charge. It reads:

> Censor . . . Ancient-Roman magistrate drawing up register or census of citizens and supervising public morals; person expressing opinions on other's morals and conduct; 2. Official licensing, or suppressing as immoral, seditious, or inopportune, books, plays, letters, news, or military intelligence (vb, exercise such control over, make excisions or changes in.)

George Bernard Shaw said:

Censorship ends in logical completeness when nobody is allowed to read any books except the books nobody can read.

I suspect there are such illusions of grandeur that the time will come when someone in the Secretary of State Department will suggest an expurgated version of Shakespeare.

I wish to read a letter which was sent to the Secretary of State on August 11, 1975, by the British Columbia Civil Liberties Association. It deals with this very question of content. The association says that no matter how much he protests—and methinks he doth protest too much—this is censorship.

It is funny. The Secretary of State sent us all supportive material, especially that of the Canadian Periodical Association, which was formed only a few years ago obviously to push for a protectionist bill of this sort. However, he did not send me this letter from the British Columbia Civil Liberties Association. I cannot understand it. Maybe hon. members will understand when they hear it. I doubt whether any members received it, but I hope those in the NDP did. I understand they are going to vote for this bill. I will explain later why they might find themselves in a terribly uneasy position.

I also wonder how the former revenue minister, my friend, and the great Justice Minister, probably Canada's greatest Minister of Justice (Mr. Basford), can vote for the bill in view of his involvement in this statement. I will read the letter. It will then be understood why many members here will have to change their minds about their vote. I quote:

Dear Mr. Minister:

Re: *Income Tax Act and "Foreign" Publications*

Thank you for your letter of 10 July, 1975 regarding changes in the tax legislation or enforcement policy proposed to be made in connection with "foreign" publications.

You will of course recall that we did not propose creation or continuation of special status for any magazine within the class of "foreign" or "domestic" publications. Our objection is to your stated intention of treating certain publications, even if owned and printed in Canada (and hence factually domestic) as "foreign" on the basis of content.

We note that you assure us that the government's aim is not to impose any form of censhorship. The purpose is to ensure that Canadian magazines' content is not substantially the same as that of other publications.

Mr. Woolliams: Were you ashamed of your Prime Minister (Mr. Trudeau) in Cuba?

Mrs. Holt: I am not ashamed of my Prime Minister.

Mr. Alexander: He was talking to Joe.

The Acting Speaker (Mr. Turner (London East)): Order, please. The hon. member for Vancouver-Kingsway (Mrs. Holt) has the floor. I suggest that hon. members listen to her.

Some hon. Members: Hear, hear!

Mrs. Holt: Thank you Mr. Speaker. I continue the quote:

To these explanations there is a short (and technical) and a long (and principled) rebuttal.

[Mrs. Holt.]

The short answer is that the tax deductibility of an expense incurred for the purposed of earning income (e.g. advertising costs) is the normal rule. Deduction of expenses does not appear to us to be a "privilege" which the government of the day has allowed a business only where socially desirable aims are to be achieved by the outlay. Deductibility is the ordinary rule and not a "special advantage" as your *Time* and *Reader's Digest* press release suggests. Thus the content test which may result in non-deductibility for advertising in certain publications (which may be domestically owned and printed) creates an anomaly operating against those publications. It does not remove an anomaly which once favoured them.

More fundamentally however we must differ with you as to the aims to be promoted by content regulations. You appended to your letter to us a recent press release from your office quoting a passage from the O'Leary Report:

All members know it. They have seen it *ad nauseam*. I do not have to read it. They can get copies of it and read it.

Unfortunately we cannot consider the promotion of a "truly Canadian" outlook by the destruction of what have hitherto been publications supported by Canadian readers as other than censorship. Censorship in our understanding is content control or content manipulation by government.

I will repeat that, in case some members missed it.

Censorship in our understanding is content control or content manipulation by government. The O'Leary Report proposes manipulation of content to create a distinctive Canadian cultural identity. The current tax proposals (including the revival of enforcement of the 1965 content definition of foreign status) appear to adopt the O'Leary approach as government policy.

We do not know what aspect of content a future government, still disclaiming (as you do) any intention to censor, might see fit to consider in imposing taxation. A still more nationalistic administration might decide to define only writings about Canada as "domestic" for taxation purposes. A paternalistic government might decide that creation of jobs for Canadian writers was so high a priority that only Canadian citizens' work would rank as domestic. As civil libertarians we would not be concerned with what laudable motives might underlie either of these forms of content manipulation. Nor are we concerned with the policy of cultural renaissance which underlies the current government's policy. Our objection is to the intended results, not to the reason for seeking those results.

● (2140)

Before pressing through parliament legislation to accomplish this change in Canadian magazine content we ask you once again to consider whether the public choice of reading matter might not better be left to the market place.

Now I'll tell you why the NDP should be a little uncomfortable. Some will be voting here on it. The list of honorary directors on this letterhead includes the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas); the hon. Minister of Justice; the Hon. David Barrett, who was the former NDP premier of British Columbia; Rosemary Brown, MLA, who was once runner up for the leadership and went quite far with the NDP party; Hugh Curtis, who is now Minister of Urban Affairs and Housing in British Columbia. There are mayors, men of the cloth, the Reverend R. R. Cunningham; the Hon. Judy LaMarsh, to name a name that is well known to many on this side of the House; Dr. Hugh Keenleyside, another well known figure, and on and on.

That is the end of the letter. The ramifications and obvious intent of Bill C-58 are frightening to me as a writer, as one who wants to read *Time*, not *Time*, U.S.A. with the Canadian content deleted.

As to all this talk about how we are free to get *Time*, how we can get *Newsweek* which has no special privileges, or perhaps *Oui*, or *Playboy*, or *Penthouse*, we are able to get

them, yes, but they didn't come to Canada, publish, give jobs, spend money here. I say, as one who believes Western Canada is not included as part of the national scene, because nationalism in Canada only extends about the fringes of Toronto, that perhaps those who are treating this bill lightly did not read the record of the Broadcasting Committee on Bill C-58 or understand the meaning of that dialogue.

When the Secretary of State and the senior officials of Revenue Canada tried to explain how they would measure content for the purpose of this legislation and how they would act as watchdogs over publications throughout the world—they might have to do that, they said, to be sure that the act would be followed—I was even more appalled at what the prospect of this bill would become. Phrases and rationalisations, perhaps even manipulations of truth, were quite remarkable and indicated the ridiculousness of trying to use the ruler of science or mathematics to measure culture and content.

Here are some of the remarkable phrases used in connection with content measurement: "continuing arrangements for access to material"; in other words, it isn't Canadian content, they don't care about Canadian writers in this bill. Norman Mailer could write, and the revenue people explained this. He could write in this magazine and be published and be acceptable. We are always protecting the publishers, not the writers and not those in allied trades. It must be "essentially different", whatever that means.

Then they talked of a "criterion for methodology" for measuring content. Then there were numerical interpretations which might be contributed to the word "substantial". It was a remarkable night, especially December 4, and I must say I did attend all the meetings. It was rather Gilbert and Sullivanesque, even Mack Sennett in many ways, except it was so serious.

Things like this happened. The man from Revenue, a senior civil servant who must answer the committee whether he believes in it or not, said, "If, for example, in our measurement we came up with 40 per cent it is arguable that it should have been 39 per cent, or 38 per cent, or 41 or 42 per cent, but apart from a minor margin of error we have not met any undue difficulties nor do we foresee any undue difficulty in measuring the arithmetic of the thing."

They are not getting a panel of editors, of journalists, of cultural experts to measure it. They are going to do it by a computer, or by one of those little pocket machines that add. They said there might be more difficulty in the area of "continuing arrangement" but it was felt desirable to insert this into the policy because otherwise officials of the Department of National Revenue would be expected to search all periodicals throughout the world to see whether a spot article was derived from something in Afghanistan—hear that: they have to go to Afghanistan to be sure it didn't happen there—or to Baluchistan, and I don't even know where that place is.

It is by establishing whether there is or is not a continuing arrangement that the matter becomes administrable. That is so fantastic as to be almost incomprehensible. If that were so, why every newspaper in Canada has a continuing arrangement with the New York *Times*, the Associated Press, United Press International, or Los Angeles *Times* writers. Even the University Press has a continuing arrangement. Who knows, they may develop a continuing arrangement with Xavier Hollander.

Some hon. Members: Explain!

Mrs. Holt: That is for you to explain, gentlemen!

When the witnesses at that committee meetings were trying to explain "substantially different" and "continuing relation" in order to hit this target, they obviously fluttered around. They could only miss the bull's eye, *Reader's Digest, Time*, etc. which they were out to get. There is no doubt in my mind that when the rules changed from May 5 to October 23, and finally in the last week to make a special privilege for *Reader's Digest*, which in a few years will return to haunt *Reader's Digest* in a new Bill 58, the objectives were clear.

They will hit the whole outer edge of the target and not just *Reader's Digest* and *Time*, all foreign news and features, even the comics, except for Ben Wicks' little item. They seem not to realize that they will be the victims. Those are the dangerous ramifications I urge you to reject. When you play with content you endanger the freedom of choice to publish, you endanger the freedom of availability of culture.

One of Vancouver's most eminent writers, an international author and journalist, Lisa Hobbs, responded to a statement made in Vancouver at the opening of the CBC building by the Secretary of State (Mr. Faulkner). The hon. gentleman had stated:

> We can't compete if Canadian interests are left to their own initiatives. Do they (people) want us simply to become a total U.S. cultural satellite? We have to recognise that we must work against that eventuality. And in the leadership of that effort must be the Canadian government.

Lisa Hobbs asked:

> How would this "leadership" be expressed? According to Mr. Faulkner, in "controlling the importation of foreign culture." It is a nice phrase. It means denying us access to it, which means censorship. And it rings with the echo of the boot. There is no free society in the world today that censors publishing and the arts.

The minister announced at the committee hearings that he had a cultural plan for Canada. Once before in history a government announced a cultural plan in the name of nationalism. That government called itself "National Socialist". It is kind of frightening that the socialists here are also nationalists. I stand up today and speak against my government, with sadness but with intensity, because I know the end result of cultural planning. I am not as young as all the rest of you here, and I remember. I am just an amateur here but I've got gears! I remember that in the name of nationalism books were burnt and that, in the striving for purity of race and nationalism, millions died. I do not want even to start to set in motion any form of controls that can lose us our freedom.

● (2150)

Another very disturbing aspect that the CBC has uncovered is the power of Canadian publishers in Canada. Every writer of books knows very well that it is the publisher who makes the money. Anyone who tells a Canadian author that he can get rich, even with a best seller, is trying to deceive him, especially if the Canadian publisher

is absorbed in making a few of the eastern idols even richer. I say that from personal knowledge. Every author is but part of the publisher's stable and few ever making a living out of books. It is the publisher who makes the money if you have a best seller for him; he only cares about the buck. Oh, they love their authors—as long as they write and allow use of their names.

I should like to mention another interesting point, something that has gone on for a great length of time, not something for which this particular government is responsible. Perhaps even the leaders of hon. gentlemen opposite started it, or some senior civil servants. I am never sure who is running my life around here.

Mr. Guay (St. Boniface): The whip.

Mrs. Holt: The whip is a great man. He smiles at me even when he knows I am not doing quite the thing he would like me to do. If anyone is thinking of becoming a Canadian writer, whether he be a journalist or an editorial writer, let them forget it because no one cares about them.

The Department of External Affairs has played a strange game in all of this. The Canadian embassies' reading rooms and libraries will not accept works of Canadian authors unless they are published by Canadian publishing houses. There were many outstanding Canadian writers for Macmillan Publishing, but their books could not qualify for Canadian embassies. Maclean-Hunter bought out Macmillan and they suddenly became Canadian, their publications could go into embassies and much money was spent on them, for which they received royalties. Canadians who write for Ryerson lost their Canadian identity as far as external affairs' reading rooms were concerned as soon as the publishing house was bought out by Americans. How petty, how ridiculous, and how unnationalistic that is.

I hope that as of today the Secretary of State for External Affairs (Mr. MacEachen) will end this discrimination against Canadian authors who choose to publish where they will. I personally am a Canadian author, not because I was born in Canada but because I happen to publish with a Canadian publisher. But I will not be publishing with a Canadian publisher in future because I think American subsidiaries care about us westerners, about Canadian culture and writers, just a little more than the Toronto mafia.

Mr. Woolliams: I hope those socialists are listening.

Mrs. Holt: As I say, it is ironic that the content control is not designed to protect Canadian writers. It does nothing for Canadian publishing. Everything it does is for the publisher, the billionaire conglomerates. Southam's are linked with Maclean's in many enterprises and they are pulling out their foreign correspondents. There are only two foreign correspondents in Peking offices to cover the situation in China. In other words, if continuing content is to be the rule we will not be getting any foreign news from China because we can only get it through a continuing arrangement with Associated Press and all the other agencies.

The history of Bill C-58 makes me think of a king who is in a card game and cannot stand to lose. He changes the rules as he goes along. He becomes ridiculous and the game not worth the playing. I wonder though if even that king would tear up the cards or ultimately assassinate his opponent when the rules are changed so much that they come full circle to start again.

The rules in this bill have been changed several times. On May 5 the requirement was that half the content was to be "new, fresh, original material which has not appeared in any periodical outside Canada". Obviously that strange dictum had one purpose, and it was a dangerous purpose. Perhaps it was written by an accountant rather than a person of culture—perhaps a schoolteacher. No one can really define "new, fresh, original material". I defy anyone to tell me what that is. Perhaps the Secretary of State has never heard it said that there is nothing new under the sun. Perhaps there is nothing really fresh or original either.

To show the danger of this whole exercise, when it was discovered that *Time* was ready to meet the May 5 dictum the "king" quickly changed the rules and on October 23 content suddenly was no longer 50 per cent but 80 per cent. Now it has been changed again. One victim is now saved, *Reader's Digest*, and its French edition *Selection*. I can only suspect that this was the result of political expediency. Perhaps a few members on this side can accept that kind of deal, but I cannot because of the danger of the principle involved. It is not acceptable to me, and I doubt whether *Reader's Digest* will be able to face the repercussions of once more being accused of being given special privileges.

This is reminiscent of a strange event in the prohibition era. When the United States could not get Al Capone for the substantive offences of murder and bootlegging, they got him on income tax evasion. Canada is doing the same thing here in order to rid the community of *Reader's Digest*, *Time*, *MD*, and KVOS Bellingham and other border stations. Other small publications will also become victims. But none of these are criminals. They are not the Al Capones of culture. On the contrary, they are good corporate citizens, perhaps too moral for the swingers who saw *Reader's Digest*, during the bead and beard hippie era, as a symbol of despised morality and *Time* as the symbol of patriotism in the Viet Nam explosion.

If law is written to cure an imagined ailment—a sort of sociological hypochrondia, perhaps a cultural hypochondria, imagined and not real— by the Department of the Secretary of State, using the Department of Revenue as its tool, it can only end negatively and dangerously.

● (2200)

The dangers to freedom of choice and the spin-offs from that have been referred to already. It is difficult for me to conceive of any government, any body of people, assigned to this very serious duty we have been given by the electorate, creating law here that is not positive, is not for the good of the majority and the nation, but is built on a negative, an anti-American bias.

I should like to challenge anyone in this House to put on those scales of justice what will be gained for Canada and Canadians by this action, and what will be lost. They will find little if anything of gain, and the loss will rock the scale off its base.

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I just wonder if I might inquire of the parliamentary assistant to the government House leader about the business for tomorrow?

Mr. Blais: Mr. Speaker, we will be proceeding with Bill C-58 tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

THE CANADIAN ECONOMY—ANTI-INFLATION PROGRAM—SUGGESTION THAT PROVISION FOR EQUALITY OF SEXES WITH REGARD TO INCOME BE MADE MANDATORY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will try to get as much as I can into my seven minutes on this very important issue. Approximately one third of the Canadian work force is made up of women, and almost all of that total, some 2 million, are subjected to job discrimination in terms of the income they are paid. All the rhetoric and supposed efforts of the government to one side, considering what the government has attempted or is alleged to have attempted in the past ten years, instead of the gap between women's and men's income narrowing in that past decade it has widened.

The most recent statistical information provided by the women's bureau within the federal Department of Labour, published in this year, indicates that the wage and salary position of women in the Canadian labour force during the past decade has become worse and not better. The average pay for a woman now is 60 per cent of that of a man doing the same job.

Fully two thirds of women in the work force are doing four categories of work, namely, clerical, sales, service, and professional. The one group, and I think this is understandable, that has made some progress in recent years has been the professional group. I am sure all Canadians and members in all parties will be pleased at that fact, but will not be so pleased about the other fact, and that is that with respect to the other categories of women their average income position has worsened.

Let me present to the House four illustrations of the current situation in respect of women's incomes as compared to men's. These figures again come from the Department of Labour and are the most recent, being for the year 1973. The first category is hospital workers and medical lab technologists. The average monthly pay for a woman was $659, and for a man $693. For hotels employing 200 or more people, men earned on the average of $464 a month, and women $427. In real estate, clerical and related workers, women earned on the average $3.25 an hour compared to $3.82 for men. In banks and financial institutions, for those

who were in a supervisory position, as of 1973, women earned on the average $4.39 per hour, as compared to $5.67 for men. In clerical positions in the same financial institutions women averaged $3.15 a hour, and men once again subtantially more, $3.94.

One could go on with a whole variety of average and low income occupations and show the remarkable and sad discrepancy which exists between men's and women's salaries in 1975. The government, in terms of its program for International Women's year, last year spent a lot of money, but in the main spent money on glib advertising campaigns, in my view, and on rather sexist slogans such as "Why Not?" and "Pourquoi non?", but did almost nothing in terms of removing the discrepancy which exists by taking concrete steps in national terms. I am not talking about federal employees only, but in national terms the government took almost no measures to remove that discrepancy in income which exists between working men and women.

There was one opportunity which would have enabled the federal government to show in a demonstrable way its serious concern about the situation in recent months, and that was of course the anti-inflation legislation. As the minister knows, there is a specific exemption from the guidelines provided in the legislation which would enable employers in Canada to go beyond the guidelines for wages and salary increases if the purpose were "to eliminate sex discrimination in pay practices". That is a laudable exemption provided in the legislation. It would have been more laudable, I suggest, if the government had followed up once again with something other than the permissive phrase that is in the legislation and had actually taken steps to implement seriously that possibility which it leaves open to employers. There was nothing in the regulations that I was able to see pertaining to this fact following the passage of the legislation.

The government has done nothing in terms of publicity to private employers stressing the moral obligation—because it is not within federal jurisdiction but in a provincial area where most people are employed—that private employers should now have to eliminate this unjust and outdated discrimination.

There is nothing that I am aware of that the federal government has done in terms of its negotiations with the provinces to persuade, cajole, or coerce in some way the provinces to take direct steps to implement on a mandatory basis this permissive clause in the anti-inflation program. I repeat that it would have been a glorious opportunity for the government to try to implement within the framework of its anti-inflation legislation a policy which in 1976 could have led to the virtual elimination of wage and salary discrimination between men and women in Canada. I suggest that it is a step which is long overdue.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I was fascinated to hear the hon. gentleman say that the best way to conduct federal-provincial relations was to coerce the provinces. I suppose he would adopt as the NDP slogan "coercive federalism".

I have already replied in substance to the question on male-female earning differentials raised by the hon. member. The government's position is two-fold: first, it has

taken steps to correct the situation insofar as workers under its jurisdiction are concerned, and secondly, it very much hopes, although it cannot impose its view, that other jurisdictions will follow its example. I would like to elaborate briefly on these two points.

With respect to workers under federal jurisdiction the necessary steps have been taken to ensure that women receive equal pay. In line with the publication in 1970 of the report of the Royal Commission on the Status of Women, the government has placed before the House legislation which will, among other things, add sex and marital status as prohibited grounds for discrimination under the Canada Labour Code. I am referring here, of course, to Bill C-72 which is now before the House.

● (2210)

As for other workers, that is to say, those not under federal jurisdiction, labour standards applying to them are those under the various provincial labour codes. The hon. member is certainly aware that the anti-inflation legislation was not intended, nor would it be legally able to amend the provincial labour laws. While the government is aware of and respects the jurisdictional constraints, it has been conscious of the need to create an environment which would facilitate the resolution of such problems. That is why the white paper on the anti-inflation program states, and I quote:

> ... employers may also grant increases in compensation above the guidelines if such increases result from taking measures ... to eliminate sex discrimination in pay practices.

In brief, the government believes it has played an important role in creating a climate which will help in the resolution of male-female pay differentials. It has done so in a spirit of respect for jurisdictional allocation of powers in Canada and by consciously designed provisions both in the anti-inflation guidelines and Bill C-72 in carrying out its own responsibilities. We are confident that with these actions the general situation will continue to improve.

NATIONAL PARKS—PRINCE EDWARD ISLAND—SUGGESTED MORATORIUM ON IMPOSITION OF FEE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, when I last raised the question of the Prince Edward Island national park with the minister I was depressed and distressed by his answer. I noted with much regret that he was applauded by members of the Liberal party when he said, and I quote:

> Basically, the position is that the national park in Prince Edward Island is one of our national parks and part of our national system. It is very difficult to say we are not going to charge a fee for Prince Edward Island but will for Fundy and Kejimkujik. It is part of our national system and we feel it is equitable that the users should be contributing a minimum of 18 per cent, which is what is amounts to, of the operating costs of our national parks.

I think that unless and until he recognizes that there are differences as among parks and among provinces, the minister will not approach an equitable solution to this serious problem. The history of this dominion has shown that Confederation has been one long series of adjustments and readjustments.

It was a century ago that John A. Macdonald and Joseph Howe worked out financial changes in the BNA Act

[Mr. Macdonald (Rosedale).]

respecting Nova Scotia, a province which on Dominion Day, 1867, had voted solidly, indeed almost unanimously, for the anti-confederate ticket. Only Charles Tupper escaped the wrath of the electors.

Ever since there have been special formulae worked out. No realistic person could expect a nation composed of provinces of such great differences in size, wealth and economic and social values to work in an inflexible framework. Compromise and common sense are the essential ingredients of a functioning federation or confederation.

While speaking of special provisions, arrangements or inhibitions, I might mention one we do not like. It is no delight to Prince Edward Island or the island portion of Newfoundland to know that they alone must pay to go to or to come from another province. I wonder how the residents of Saskatchewan and Manitoba would like to pay a toll every time they move from province to province.

I appeal once more, most earnestly and sincerely, to the minister to listen to the people, the legislature, and the government of Prince Edward Island. The sea has been our inspiration throughout our history. It has also and often been our economic strength. Consider how much of our coast line was given over to the national park. Realize that the imposition of this fee is really cutting off island people from their ancient joy and heritage, the beauty, majesty, and charm of the glittering sea.

If some day soon you, sir, or the charming parliamentary secretary, come to my province and I offer to take you fishing for that queen of the sea, the mackerel, I will have to pay to get into the fishing grounds, and that might stagger my Presbyterian thrift.

In all my years in public life, and they are now quite a few, I have never seen such depth of feeling as exists in Prince Edward Island in respect to this question. I urge that some arrangements be made, whether the establishment of a new concept of a sea shore park as there is in the United States, or whatever. Let the minister indicate his awareness of our unique situation and bring about a fair and acceptable adjustment to it.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I would gladly reciprocate with an invitation to go fishing for some west coast salmon off the Queen Charlotte Islands if we were fortunate enough to have any national parks in that part of Canada. Unfortunately that is not the case.

I really do regret that the hon. member has been depressed and distressed that Prince Edward Island must pay as other Canadians must pay for the privilege of enjoying national parks. The only difference to date has been that other provinces in the west have paid for the privilege of utilizing parks for 40 years. Suddenly the eastern part of Canada has begun to take on its share of the future improvements.

The minister has listened to the people very carefully. They want park facilities and good ones; they want improvements and developments and these things must be paid for. Unfortunately in today's economy they must be paid for by the people who utilize them. It is a most natural human reaction to seek to avoid paying fees.

The decision to increase national parks motor licence fees and apply them where they had not been collected before, was taken in 1974. It arose from the minister's efforts to embark on a major program of development, to establish new parks, to provide basic facilities in new parks, and to preserve and protect more of Canada's natural and historic heritage of which the hon. member speaks with such eloquence.

The rapid expansion in the number of national parks within recent years on a very limited budget was in many instances done at the expense of the old established parks in the system, such as Prince Edward Island national park. Unfortunately, this happened over a period when ten new parks came into being, and there has not been sufficient funding to develop them all at one time without the participation of the people who make use of them. I know the hon. member would not wish to shirk the duty of the people of Prince Edward Island in supplying their assistance to parks of Canada in their growth and development. Maybe with the help of the people of Prince Edward Island the people on the Queen Charlotte Islands will have a park one day.

FISHERIES—REQUEST FOR FEDERAL AID TO REPAIR STORM DAMAGE IN NEW BRUNSWICK

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, this country is a confederation of provinces into a single unit. It was formed with the understanding that the provinces, as they became members of this structure, recognized that there were mutual responsibilities of one province to another, of one region to another, and of the national government to all provinces and all regions.

In recent years the tendencies of the national government has been to disclaim responsibilities which are historically inherent in the principles of confederation. Examples of this national responsibility can be cited from the construction of the national railroad, the construction of a series of airports for air travel, the construction of the Trans-Canada highway, the assumption of responsibility for the maintenance, construction, and expansion of the seaports as well as those ports of national consequence on the inland water system of Canada. And one can go on over a long list of items which are examples of the assumption of responsibility by the national government where an individual province or region could not, without undue hardship assume responsibility for the particular situation in which it found itself.

That coastal area of Canada which forms the Bay of Fundy now finds itself in a disaster position; whether it be in the area of Yarmouth or Grand Manan, whether it be Saint John or Moncton, and the area deserves relief from the Government of Canada on a disaster basis.

While I was encouraged yesterday by the answer of the Prime Minister (Mr. Trudeau) given to the hon. member for Fundy-Royal (Mr. Fairweather), I was most discouraged by the answer from the Minister of State (Fisheries) (Mr. LeBlanc) in his reply to me today. The Prime Minister recognized in a heartening way that this is not a situation which would make a recurring claim upon the national treasury. In contrast to this, as I remember his remarks, the Minister of State (Fisheries) today said that only if something were started by the provinces would any relief be forthcoming.

In view of the fact that this cabinet minister is a resident of New Brunswick and is looked upon as the voice of the province of New Brunswick in cabinet, it was indeed disheartening to hear that the damages to the industry for which he is responsible will only receive relief upon initiation of the individual provinces concerned. This is the second occasion since he has been minister responsible for fisheries that he has turned a deaf ear to the pleas from people in dire trouble.

During the fall of 1975 a multitude of fishermen on the Atlantic coast suffered serious damage as a result of unusual weather, and their plea for help went unanswered. Some of the same people have again experienced disastrous losses, particularly lobster fishermen, within a time span of less than six months. This type of loss is beyond their means; yet the returns from this industry are of major importance to the national economy.

I am sure that when the Prime Minister made his statement that this area could receive consideration under the existing circumstances, he was aware of the fact that though the policy of government has not been to recognize problems such as this, they have not chosen to declare a disaster area on their own initiative and the machinery is still in place to permit this to be done. Though the position of the Minister of State responsible for Fisheries was historically correct, during the past few years on the basis of existing government policy the machinery is still in place whereby special funds could be allocated to alleviate the difficulties of that storm ravaged area. The statutory authority for this is still in existence, although it has not been in use.

● (2220)

The people of the cities and towns which have been so thoroughly disrupted must be congratulated upon the dispatch with which they have dealt with their problems. The co-operation of the residents with one another in the city of Saint John would restore the faith of mankind in the principle of brotherly love. It is a stirring example of the practice of the good neighbour principle.

I wonder does the minister recognize that the livelihood of hundreds of families and their life savings have been eliminated in the span of a very few hours of almost merciless weather. I wonder how many people in this House realize that this was just not an ordinary storm. This was a storm which had winds of hurricane proportions. This was a storm in which wind measuring instruments registered velocities of more than 120 miles per hour on a continuing basis. These were not just momentary gusts. Boats do not get thrown across highways and into a wooded area by a single gust of wind. Fish processing buildings are not lifted off their foundations and scattered by a single gust of wind. This was a storm which carried continuing winds of hurricane proportions and the damage is in direct relation to their intensity.

Canada has had a record of generosity on an international basis. It has always come to the aid of those areas which suffered catastrophes. I am sure we will come to the aid of Guatemala, to some degree, after the moments of horror people there have experienced and the catastrophic

damage to man and his property. If we do not, we should; but we should be equally aware of the needs of our own people in time of trouble. It is not proper that the Government of Canada, or any of its ministers, should say that this is a provincial or a regional problem. It is, instead, only fair and right that government should say that this is indeed an unusual circumstance and that we shall indeed come to the aid of those who need it so badly.

The hon. member for Fundy-Royal proposed that a formula should be adopted by the government under which. The first dollar, per capita, of a province required to reimburse for flood or other types of unusual damage should come from the province. The second dollar spent within a province for this purpose should be shared equally by the Government of Canada and the province. The third dollar spent for this purpose should be absorbed 75 per cent by the Government of Canada and 25 per cent by the province concerned. The fourth dollar and each additional dollar per capita of a province required for this purpose should be financed by at least a 90 per cent contribution from the federal government.

The adoption of such a program would certainly relieve the present situation immensely. It would be a step in the right direction. It might very well be a very proper and responsible position for the Government of Canada to take on a national basis. It would certainly be preferable to the formula which presently exists. It would not, however, relieve the Government of Canada of the responsibility of an immediate assessment of the damage to a national industry, such as that of the salt water fishing industry.

I am, and I always have been, of the opinion that unusual expenditure by any area of Canada should be the responsibility of the Government of Canada in recognition of the differences in the various areas of our country and the unique responsibilities which some areas have but which others do not have at all.

I thank the Prime Minister for his sympathetic statement and I implore the Minister of State (Fisheries), in view of this statement, to assess immediately the damage in the Atlantic area and sell to cabinet a proposal for furnishing adequate money to re-establish those who cannot re-establish themselves, whether they live along the shore or inland. I wish to put in a special word for those who live along the shore, who are engaged in a profession which few of us choose as our source of income and who, through generations of almost unendurable conditions, have made such a major contribution to our total economy. They are not asking for charity. They are asking for the recognition of a right which is truly theirs. They ask their government in Ottawa to recognize their plight and lend the necessary assistance to alleviate it.

Mr. George Baker (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, the government is doing exactly what the hon. gentleman is requesting.

The hon. member for Carleton-Charlotte (Mr. McCain) yesterday received the assurance of the Prime Minister (Mr. Trudeau) that his office is looking into the possibility, if I quote him correctly, of providing an exception in this case and studying the situation in a sympathetic way.

In reply to further questioning today by the hon. member for Carleton-Charlotte, the Minister of State (Fisheries) (Mr. LeBlanc) gave his assurance that officials of his department would co-operate and help the province assess the damage as far as fisheries are concerned. Therefore, to the two requests that the hon. member made, he received assurances from the Prime Minister and the Minister of State (Fisheries).

I understand that today surveys were being conducted by the government of New Brunswick together with EMO and, we hope, the assistance of the federal fisheries officers.

Mr. McCain: "We hope." So do I.

Mr. Baker (Gander-Twillingate): The hon. member was given assurance today by the Minister of State (Fisheries). I do not know what else he wants.

As the hon. member stated, the existing formula is that the province has to put in the first dollar of capital, the second and third dollars would be funded 50 per cent by the federal government, the fourth and fifth dollars by the federal government, and the excess 90 per cent by the federal government. That has been the exact formula since 1970 for every single case with a few exceptions of small disasters that were very localized. However, as the hon. member stated, this was a large disaster.

Through the efforts of the hon. member and those of other hon. members affected, the Prime Minister has taken this exceptional step. However, let me assure him that under the existing formula the initiative for the assessing of damages for disaster relief rests with the provincial governments. It has always rested there. As I stated, the hon. member's comments have been taken into account by the Prime Minister and the Minister of State (Fisheries). I think at the moment that is all we can expect from the government.

The Acting Speaker (Mr. Turner (London East)): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 o'clock a.m.

Motion agreed to and the House adjourned at 10:29 p.m.

HOUSE OF COMMONS

Friday, February 6, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SUGGESTED WITHDRAWAL OF ALL FOREIGN TROOPS FROM ANGOLA—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in view of the fact that there are no longer days set aside for discussion on foreign affairs, as was customary in the past in successive governments, pursuant to Standing Order 43 I move the adjournment of this House, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro), to discuss a matter of urgent and pressing necessity, which was particularly emphasized by Dr. Joseph Luns, Secretary General of NATO in Ottawa a couple of days ago when he said intervention by the Soviets "is a serious blow to east-west detente",—

An hon. Member: What about the United States?

Mr. Diefenbaker: —namely, that the government of Canada having failed to make a clearcut public declaration against the brutal invasion of Angola by various forces, including some 9,000 Cuban troops—

An hon. Member: And South African.

Mr. Diefenbaker: —this House condemns in strong and unequivocal terms the invasion of Angola by Cuban and other troops in the interests of world peace and the right of nations to self-determination, and asks that Cuban and all other foreign troops should remove themselves from Angola.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Mr. Diefenbaker: Liberal members all said no.

Mr. Trudeau: I said no.

Mr. Munro (Esquimalt-Saanich): You want them to stay there?

ENVIRONMENTAL AFFAIRS

PROPOSED WITHHOLDING OF APPROVAL FOR OIL DRILLING IN BEAUFORT SEA PENDING INQUIRY INTO ENVIRONMENTAL EFFECTS—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. The report of Environment Canada dated January 14, 1976, states that offshore drilling in the Beaufort Sea could result in a blowout which would go uncontrolled for a period of at least one year and take up to three years to control, resulting in a massive kill of seals, birds, whales, polar bears and other wildlife, further denuding the capacity of natives to live from the land. In view of the fact that the Department of Indian and Northern Affairs intends to conduct hearings for six communities in three days in the north making the consultation process a farce, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That approval be withheld from any company for offshore drilling until a full parliamentary inquiry has been held into the environmental effects of such drilling and further that the terms of reference of the Berger commission be expanded to include the subject of offshore drilling.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

● (1110)

[*Translation*]

NATIONAL DISASTERS

SUGGESTED OBSERVANCE OF MINUTE OF SILENCE IN SYMPATHY WITH VICTIMS IN MARITIMES AND GUATEMALA—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a very important motion and I am convinced that no member will dare reject it.

Considering that mankind proceeds from the same Creator and that we are all united one another and living in the same world, our ethnicity, our language and our religion notwithstanding, and considering also that Canadians are ever sensitive to the calamities striking their fellow citizens and other nationalities, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House keep a minute of silence as a mark of sympathy for the victims of the Maritimes and the victims in Guatemala heavily devastated by an earthquake, and that this House also urge the Secretary of State for External Affairs to extend to the hard hit people our deepest sympathy.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

HEALTH

REQUESTED COMMITTEE STUDY OF POSSIBLE DANGER CONNECTED WITH USE OF AMARANTH—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under Standing Order 43 to move a motion of urgent and pressing necessity. The banning of the use of Amaranth—red dye—in the United States because of possible link to cancer and long prohibited use in the U.S.S.R. throws into question its use in Canada. In view of conflicting statements on this matter in the minister's press release of February 2, 1976, I moved, seconded by the hon. member for Hillsborough (Mr. Macquarrie):

That this matter be referred to the Standing Committee on Health and Welfare for study and report.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

[*Translation*]

INCOME TAX

SUGGESTED ACTION TO COLLECT UNPAID TAXES FROM CERTAIN CORPORATIONS—MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to present an important motion.

Considering the answer given yesterday to a written question of the hon. member for Bellechasse (Mr. Lambert) by the Minister of National Revenue (Mr. Cullen) that 24,620 accounts of national and multinational corporations were outstanding at the Department of National Revenue, considering that these corporations owe the Crown the sum of $223,042,948 in unpaid taxes, and that only since 1973, considering the fight against inflation and the monetary needs of the government which takes the liberty to freeze family allowances, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the government immediately order an inquiry to examine the said outstanding income tax accounts to of the national and multinational corporations and to ensure the payment of these taxes owed to the Crown, in the same way and with the same severity as is applied to individual taxpayers.

[Mr. Allard.]

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

Some hon. Members: Yes.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—REVIEW OF EXPORT LEVY REQUESTED BY PROVINCES—DATE OF COMPLETION OF REVIEW

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question to the Minister of Finance arises out of his reported statement to provincial ministers of finance to the effect that he would talk to his colleagues in cabinet about the proposed export levy associated with the controls program. Can the minister indicate to the House precisely what aspect of the export levy he agreed to discuss with his colleagues, whether it is the whole question of such an export levy, or any particular aspect of that levy.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the point made by the ministers of the provincial governments was that the proposed export levy system could operate as an impediment to the growth of exports at this time. They therefore requested, essentially, that export profits be exempt from the over-all controls system. As the House knows, the purpose of including them is to provide equity in treatment as between firms selling in Canada and export firms and also between exporting firms and their own employees whose compensation will be controlled. With regard to this proposal, it was the general concept of controlling export profits to which some of the provincial governments objected.

Mr. Stanfield: A supplementary question, Mr. Speaker. I take it that the whole question of the export levy and the whole question of controlling profits from exports in this way is being reviewed by the government. If that is the case, when will the minister or the Prime Minister indicate the result of this review to the House? How does the Minister of Finance propose to proceed so far as the provinces are concerned? When does he anticipate he will have word for the House and word for the provinces on this matter?

Mr. Macdonald (Rosedale): Mr. Speaker, we will have to discuss this in cabinet and I anticipate that within the next week, certainly, this matter will come up. Of course, I cannot be final as to when the decision will be made. The decision, ultimately, will be that of the federal government

and, obviously, I would communicate with those ministers who spoke most directly about the question. I would not anticipate another meeting for this purpose but I indicated that, in the meantime, we would not proceed with the ways and means motion now before the House.

Mr. Speaker: Is the Leader of the Opposition rising on a final supplementary question?

ANTI-INFLATION PROGRAM—DATE WHEN PROGRAM WILL BE FULLY OPERATIONAL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, it is not a final supplementary, in view of the obvious importance of getting this matter settled, both in terms of knowing whether there are to be agreements with all provinces relating to the anti-inflation program, and putting export industries in the position to know what they are doing, or supposed to be doing, at a time when exports are of the gravest importance to this country, may I ask this question? As it is nearly four months since the Prime Minister announced the launching of this program, can the minister indicate when he expects to have the whole program in place? When he replies I hope he will not say that it is not helpful to threaten the provinces. I am not talking about threats to provinces. I am asking him to indicate to the House when, if at all, he expects to have the program in place, as he originally envisaged?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the program is substantially in place now. A number of provinces which for their own reasons have had problems in their own public sectors, had difficulty in coming to a conclusion with regard to the agreements. Whatever the hon. gentleman may say about any suggestion of threatening the provinces, he has to recognize that it is the course of common sense in dealing with them to enable them freely to come to agreements in this regard and try to accommodate their positions. This is exactly the approach I have taken. I do not think that confrontation or setting deadlines is a sensible way to proceed.

ANTI-INFLATION PROGRAM—DATE OF AGREEMENT WITH PROVINCES ON EXPORT CONTROL LEVY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the uncertainty of the government's control program as a consequence of a failure to reach an agreement with the provinces on the export levy and bearing in mind the adverse consequence that this is obviously having on capital investment and the need for increased productivity at a time of high unemployment, will the minister advise when we can expect an agreement on this? Also, what is the procedure to be followed now that the ministers of finance have returned to their respective provinces without having reached an agreement?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it is not a question of agreement on the export levy. It is fair to observe that while the export levy has been in the government's program, the reference to it has been there since October, it is only at this most recent meeting that there were substantial objections to it. In this program dealing with all sectors in the community, labour, management and the provinces, we sought to try to structure the program in order to meet their particular concerns. It was in that frame of mind that I agreed to have a review with my colleagues in this regard. I do not think anybody could sensibly say there has been any hesitation in investment in the export sector because of this preparedness to meet with the concerns of the various groups in the community.

ANTI-INFLATION PROGRAM—REQUEST FOR CLARIFICATION OF PROBLEMS PREVENTING AGREEMENTS WITH PROVINCES

Mr. James A. McGrath (St. John's East): The minister said in his statement that he was negotiating with the seven provinces that failed to sign an agreement on what he described as "special problems of a minor nature". Can the minister expand on that statement? What are these minor problems still to be resolved?

Hon. Donald S. Macdonald (Minister of Finance): As I mentioned to the Leader of the Opposition, Mr. Speaker, to describe them in general terms, some provinces have difficulty arriving at an agreement because of negotiating situations with particular groups in the public sector in their provinces. Others have problems because of the question of pricing in the public sector. No province has indicated it would hesitate because of the review we now have underway of the export levy system.

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EXTERNAL AFFAIRS

FLOODING OF SKAGIT VALLEY BY SEATTLE LIGHT AND POWER—GOVERNMENT ACTION TO PREVENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the decision by a United States court that the Seattle Light and Power Company be granted permission to raise the Ross Dam by 100 feet, which will entail the flooding of over 5,000 acres of the upper Skagit Valley which, according to the report of the International Joint Commission tabled in this House on December 17, 1971, would have far reaching and permanent effects on the environment of the Skagit Valley, what steps does the government intend to take to prevent the flooding of this important and environmentally vulnerable area of British Columbia?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, there are a number of points to be made in reply to the question. The United States Federal Power Commission, operating within the context of United States law, has completed its hearings on Seattle's application for a licence to raise Ross Dam. Just two days ago, the federal commission judge hearing the case handed down his decision approving the application. There is a period of 30 days during which exception could be taken to the ruling and then a period of 30 days within which the commission must act to grant the licence or otherwise. If the Federal Power Commission does grant a

licence the matter can be raised in the United States Courts.

● (1120)

I should point out, also, that an application by the Province of British Columbia to overturn the 1942 order of the International Joint Commission approving the raising of the Ross Dam is being held in abeyance by the IJC pending the outcome of discussions which are taking place between British Columbia and Seattle. To make one more point, when the President and the Prime Minister met in Washington, it was agreed that the best way to deal with this question would be through negotiations between the Province of British Columbia and Seattle. These negotiations are still under way and we shall be having discussions on the federal side with provincial officials on the whole question of the Skagit at a very early date.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Having regard to the statement which was made by the former Secretary of State for External Affairs, the present President of the Privy Council, on February 13, 1971 that before any dam construction which would cause flooding in the Skagit Valley could begin, approval must first be given by the Department of Energy, Mines and Resources. I want to ask the minister whether that legal interpretation put forward by his predecessor expresses the view held by the present Secretary of State for External Affairs and, if so, whether he or the Prime Minister can assure the House that no such approval will be given either by the Department of Energy, Mines and Resources or by any other department of the Canadian government.

Mr. MacEachen: I have no reason to question the opinion expressed by my predecessor although, to be honest, I have not considered that particular point. I shall obviously look into the legal situation and form my own conclusion as to what the government ought to do in the event that negotiations prove futile, in the event that in the final analysis the Federal Power Commission grants a licence or in the event that the IJC fails to overturn the 1942 order. There are a number of contingencies which would have to be dealt with before we reach the point which the hon. member put forward as calling for a final decision by the government.

FLOODING OF SKAGIT VALLEY BY SEATTLE LIGHT AND POWER—POSSIBLE RENEGOTIATION OF 1942 AND 1967 AGREEMENTS WITH BRITISH COLUMBIA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): As the minister has said, there are a number of options open to the government and to the government of British Columbia. But as the best approach would seem to be renegotiation not only of the 1942 agreement but of the 1967 agreement between the Seattle Light and Power Company and the government of British Columbia, with provision for compensating the United States company in respect of the $8 million it has spent and returning the $35,000 a year payment to the province of British Columbia, may I ask whether the minister would be prepared to initiate such a renegotiation of the 1967 agreement with the co-operation and consent of the government of British Columbia?

[Mr. MacEachen.]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I agree that the best possible approach to this question is by way of negotiation between the government of British Columbia and Seattle, a procedure which was not followed very enthusiastically by the former provincial government of British Columbia. We believe this ought to proceed and that such negotiations are the best way to deal with the matter.

* * *

[*Translation*]

INCOME TAX

SUGGESTED ACTION TO COLLECT UNPAID TAXES FROM CERTAIN CORPORATIONS

Mr. André Fortin (Lotbinière): Mr. Speaker, with your permission, I would like to direct a question to the President of the Treasury Board. Is he aware that as of March 31, 1975, 24,620 corporate accounts were outstanding, totalling an amount of $223,042,948 owed to the Crown? In view of the budgetary needs and the restrictions imposed by the President of the Treasury Board, could he tell the House what action he intends to take—special action since the standard approach does not seem to be effective—in order that the Crown might secure this income tax reimbursement in the same manner as it is done with respect to individuals?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the department concerned with income tax collection is the Department of National Revenue, and this question should be directed to my colleague.

Mr. Fortin: Mr. Speaker, I should like to ask the Minister of National Revenue what special steps he intends to take to recover this tremendous sum of $223 million owing to the Crown since 1975?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I wish to thank the hon. member for this question and for moving his motion under Standing Order 43. I agree with him that it is necessary to continually look for new methods to collect outstanding taxes. We have already succeeded in recovering millions of dollars, and we will pursue our efforts along this line in the case referred to by the hon. member.

Mr. Fortin: Mr. Speaker, one last supplementary.

Considering the various recovery methods mentioned by the minister, could he explain to the House—if they are so effective—why late filings numbered only 2,470 in 1973, as against over 9,269 in 1974 and 12,881 in 1975?

[*English*]

Mr. Cullen: We are always trying to improve, Mr. Speaker. I used up most of my vocabulary answering the last question.

Some hon. Members: Oh, oh!

EXTERNAL AFFAIRS

CUBA—POSSIBLE REVIEW OF AID PROGRAM IN VIEW OF INVOLVEMENT IN ANGOLAN WAR

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Prime Minister. Will the government be reviewing any CIDA loans or grants to Cuba now its troops are engaged in the Angolan conflict; and if Cuba has money to become involved in wars, should not this disallow its receipt of aid as an underprivileged country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I dealt with that question or one very much like it a couple of days ago, and the answer is still the same. Our aid program is not linked to the ideology of a particular country. I think I gave the example of helping Haiti, on the one hand, and Cuba on the other, which are very differently oriented countries.

CUBA—POSSIBILITY OF PROVISION IN AID CONTRACT ALLOWING DISCONTINUANCE OF AID IF ECONOMIC CONDITION IMPROVES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. When these contracts are negotiated with the various countries, are there any clauses in them that provide that, if they come into an exalted position and can find funds for fighting wars and that sort of thing, then grants can be cut off?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): There are no clauses that provide for that, Mr. Speaker.

GUATEMALA—AMOUNT AND FORM OF AID IN VIEW OF EARTHQUAKE DAMAGE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a further supplementary question for the Secretary of State for External Affairs. In regard to Guatemala, the minister indicated yesterday that Canada would be making a special donation as the first of a series of steps. May I ask him today whether he is prepared to speak in more urgent tones concerning how much our donation will be to Guatemala, what form it will take, and how quickly it can be dispensed to that country, particularly medical aid that is needed in the form of blood plasma and anti-tetanus vaccine?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, yesterday the Prime Minister sent a message to the government of Guatemala expressing our very deep feelings of sadness at the tragic events in that country and assuring the government of Guatemala that Canada stood ready to assist in any way possible. We have already indicated to the Guatemalan Red Cross that we are prepared to provide an initial donation. We are now considering a substantial contribution in the form of food aid, and we are also giving immediate consideration to the rearrangement of our aid program in Guatemala so that funds can be released for the reconstruction of that country. Yesterday we sent a representative of the Canadian International Development Agency to Guatemala so that in consultation with the government, we can determine what further ways we may be able to assist.

* * *

● (1130)

INCOME TAX

DEDUCTIBILITY FOR TAX PURPOSES OF BREAST PROSTHESIS AND TELETYPEWRITER

Mrs. Ursula Appolloni (York South): Mr. Speaker, I should like to address a question to the Minister of National Revenue and I do so in an effort to avoid unnecessary embarrassment and anguish for thousands of women across Canada. Because the guidelines are not specific on this point, will the minister please confirm that effective as of the taxation year 1975 women who have had to undergo mastectomies will be permitted to deduct as a medical expense the cost of an external breast prosthesis?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I thank the hon. member for giving me notice of this question and I do appreciate its importance. In fact, I am pleased to confirm that the income tax regulations were amended in January, 1976 to add to the list of items deductible for medical expenses for income tax purposes the cost of an external breast prosthesis required as a result of a mastectomy.

While I am on my feet, Mr. Speaker, I would also take this opportunity to mention that the cost of a teletypewriter or similar device that enables a deaf or mute individual to make and receive telephone calls has also been added to the list of deductible medical expenses for income tax purposes.

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PARLIAMENT BUILDINGS

REASON FOR FLYING OF UNITED STATES FLAG FROM PEACE TOWER

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Public Works, who is responsible for the raising and lowering of flags on public buildings. Will he advise the House what was the purpose behind the raising of the United States flag over the Peace Tower this morning? Was it to show our American neighbours that we really do love them, and is it planned to give the Cuban flag equal time later this day?

Some hon. Members: Oh, oh!

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I have not been in communication with the raisers of the flag this morning. I am told they are from the academic community with which perhaps the hon. member is more familiar than I.

Mr. Hees: You mean I am a little better educated?

An hon. Member: It doesn't show, George.

Some hon. Members: Hear, hear!

Mr. Hees: I am so modest I keep it under a bushel.

Mr. Drury: Their purpose, Mr. Speaker, in raising the flag has not been made too clear to the Sergeant-at-Arms who has succeeded in collaring them all, according to accounts.

Some hon. Members: Hear, hear!

[*Later:*]

FLYING OF UNITED STATES FLAG FROM PEACE TOWER—INDICATION OF LAX SECURITY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not want to give a degree of seriousness to what happened this morning over the flag, but it does indicate that there is some loose security about the parliament buildings, and I would ask the Minister of Public Works what investigation is being made in this connection? When these pranksters can do what they did by going through three doors and getting up to the tower without being seen there are some security precautions in addition to those now being taken that should be adopted.

Mr. Speaker: Order, please. It is with the usual regret and some humility that I intervene in the right hon. gentleman's question, but the fact of the matter is that security in this building is my responsibility and not that of the Minister of Public Works.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I realized the question could not be asked of you, Mr. Speaker. In that connection, when the security of this building is subject to such potential dangers then I think it is a matter for consideration on the part of the Minister of Public Works and the government. You, sir, look after the building itself, but you do not look after the tower and security outside.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. In any case, to the extent that I am responsible, I can assure hon. members that the matter will be thoroughly investigated from a security point of view.

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CRIMINAL CODE

RELATIONSHIPS BETWEEN DELAY IN INTRODUCTION OF BILL CONCERNING CAPITAL PUNISHMENT AND PROMISE OF FREE VOTE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister a question with reference to the administration of justice. It arises from the fact that there have been adjournments or postponements of sentences in respect of capital murder. How is the Prime Minister's government able to reconcile the promise of a free vote on capital punishment with the fact that there appears now to be a delay or a postponement in respect of this bill because a large number of his own backbench supporters are not going along with the government's bill? How does he reconcile the promise of a free vote with the fact of the postponements?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the one has nothing to do with the other. There will be a free vote whether it is held next week, the week after or a month after that.

Some hon. Members: Hear, hear!

Mr. Woolliams: Is this going to be a free vote for the members of the Cabinet, or as free as it is to be for the backbenchers? I ask this because last time members of the Cabinet showed a degree of solidarity which does not exist with regard to the new economic society suggested by the Prime Minister, particularly in view of the recent statement by the Minister of National Defence.

Mr. Trudeau: Mr. Speaker, I think the hon. member should not worry about the Cabinet. Perhaps he should worry about his own frontbenchers, or talk to the two or three dozen people who are running for the leadership of his party.

Some hon. Members: Oh, oh!

Mr. Woolliams: Mr. Speaker, I know that the Prime Minister always wants to be fair. I thought he would feel awfully good in that he ran successfully against eight or nine of the members of his party.

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SOCIAL SECURITY

GUARANTEED ANNUAL INCOME—REQUEST FOR STATEMENT ON PROPOSALS OR REFERENCE TO COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the interest of the country and of the members of this House in the proposals for a guaranteed income or income supplementation which were discussed earlier this week by the Minister of National Health and Welfare and his provincial counterparts, may I ask whether a statement on this matter will be made to the House, or will the proposals be referred to the Standing Committee on Health, Welfare and Social Affairs for study? When the minister is answering that question I wonder if he might assure the House that these proposals are being made on their own and not only if the provinces agree to the non-escalation of family allowances?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my provincial colleagues and I have discussed the possibility of setting up an income support and income supplementation program. Those discussions have now been under way for over two years. This week they went into another stage; early in June another meeting will be held at which time we will look into certains aspects of the proposals made to date. I do not intend to make a formal statement at this time. I believe every hon. member has now received copy of the news release from the conference. In addition, the estimates of my department will be considered by the committee on health, wel-

fare and social affairs later on in the session. At that time, I shall be happy to give hon. members all the information they might deem useful and to discuss with my colleagues of the parliamentary committee whatever proposals are made. I feel it is still too early to make a statement on specific and final proposals, for they still have to be debated at the June meeting. Finally, the proposal of the federal government was made without specific mention of the possibility of indexing family allowances, which matter was not brought up.

[*English*]

METHOD OF EFFECTING NON-ESCALATION OF FAMILY ALLOWANCES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that the new proposals may not come into effect for two or three years and family allowances are in effect now, I would ask the minister whether the question of their non-escalation will be brought before parliament this year or is this non-escalation being effected by order in council?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, surely the hon. member knows that the indexing of family allowances is covered by the law on family allowance passed by Parliament and that the suspension of indexing for this year will be the subject of an amendment which will be discussed in the House in the weeks to come. Any decisions concerning non-indexing in any subsequent year would be subject, I think, to a new amendment if such a proposition were entertained by the government but for now such a project was not discussed at the conference. I do not know where the hon. member got hold of such information. There was no discussion on that.

● (1140)

[*English*]

Mr. Knowles (Winnipeg North Centre): A point of order, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Surrey-White Rock.

Mr. Friesen: Mr. Speaker, my question is for the Secretary of State who evidently has just walked out of the chamber. I think he is behind the curtain.

Mr. Speaker: The hon. member for Mackenzie.

* * *

AIR TRANSPORT

NATURE OF PROPOSAL TO MANITOBA AND SASKATCHEWAN FOR REGIONAL CARRIER—DATE OF RESPONSE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Transport. Following the scuttling of the original Skywest proposals for the operation of a regional carrier the minister laid before the provinces of Manitoba and Saskatchewan some counter-proposals which apparently are being studied. Would the minister indicate what his proposals were and what stage of development we have reached at this point. Does he expect a response shortly from these governments?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the Skywest operation as such, of course, is dead because of the withdrawal by Manitoba of Skywest. The proposals are essentially toward providing the same kind of services that would have been provided by that carrier and ways of finding another carrier or carriers to provide the services. At the present time I am awaiting a response from the two governments which I hope will indicate their willingness to support such a proposal financially about to the extent of their previous willingness.

Mr. Korchinski: Mr. Speaker, may I ask the minister whether his proposal was such that it would involve the governments in the actual operation or was the operating aspect of any proposal to be turned over to a private carrier.

Mr. Lang: Mr. Speaker, it would likely have involved a private carrier although the general proposition at the time is to ascertain the degree of support which would be involved from these various governments. I do not exclude the possibility of a carrier other than a private carrier being involved if they could come up with a proposition which was as good on a competitive basis. However, I would want the CTC to play a full role in the licensing and, if possible, the assessment of the various proposals put forward by carriers.

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PERFORMING ARTS

VOLUNTARY QUOTA SYSTEM FOR FOREIGN FILMS—POSSIBILITY OF CHANGE IN POLICY

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I want to thank the Secretary of State for returning to the chamber. The Council of Canadian Filmmakers in a statement on August 23 viewed with alarm the situation in their industry and said in part that the situation had been aggravated by several events. I quote the industry as follows:

> —the Secretary of State's announcement of a patently absurd scheme to extend the failed 'voluntary agreement' with Famous Players and Odeon—an arrangement which serves the purposes of the foreign-owned theatre chains but has the full potential to defeat the purposes of the Canadian Film industry—

In view of that statement, I wonder whether the Secretary of State is contemplating a change in policy?

Hon. James Hugh Faulkner (Secretary of State): No, Mr. Speaker. I have gone into this matter at some length with the council and also before the parliamentary committee. I would be pleased to let the hon. member have the results of the voluntary quota when I am before the committee dealing with my estimates. I think it will be quite clear at that point that the voluntary quota in fact is leading to a much greater number of Canadian films being shown across Canada.

Mr. Friesen: Mr. Speaker, I wonder if the Secretary of State could inform the House whether he is planning any action with Mr. Harold Greenberg or the officials of his department, since the CCFM has said that the officials of the Department of the Secretary of State have repeatedly lied to the CCFM when it has expressed fears that plans were afoot for the kind of voluntary agreement which the minister did announce on August 5. Does he plan any action either with the officials of his department or Mr. Greenberg?

Mr. Faulkner: No, Mr. Speaker, but I think the hon. member's question is somewhat out of date. The Canadian Council of Filmmakers is perfectly aware of the fact that this chamber is not in a position to legislate quotas over theatres in this country. They come under the jurisdiction of the provinces. They were trying to lobby the provinces to institute quotas in the ten provinces. That effort was not successful. I felt very strongly that some form of quota was necessary. What I was able to do in the interim was make an arrangement through the Canadian Film Development Corporation for a quota which will be observed, obviously not under the aegis of law but which will be observed, and which will be monitored and the results made public through Famous Players and Odeon. That seems to me to be an improvement over where we were. It may not be exactly as much as the Canadian Council of Filmmakers would want.

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HOUSING

ASSISTED HOME OWNERSHIP PLAN—REQUEST FOR REBATE OF SUBSIDY IN VIEW OF DELAY IN REGISTRATION OF HOMES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs. In view of the fact that homeowners eligible for AHOP can only qualify to receive their government subsidization once their dwelling has been registered, and since registration, in some instances, cannot be processed until months after the initial purchase, can the minister assure the public that, upon entering into the AHOP program, they will receive rebates on the subsidization they did not receive before their dwelling was registered.

Hon. Barney Danson (Minister of State for Urban Affairs): Well, Mr. Speaker, obviously the hon. member did a great deal of research in respect of that question. I would like to grasp the full sense of it and report back to him when I have been able to make a decision. Certainly, I want to do all that is possible in the situation to keep the outstanding record of housing starts in this country continuing.

Mr. Darling: Mr. Speaker, this is a matter of the utmost importance. I would point out to the minister that I received a telephone call today indicating that in this immediate area there are 130 families involved. Considering that most of those qualifying for AHOP end up purchasing condominiums, which are usually only registered by the builders once an entire condominium complex has been occupied, does the minister realize that condominium owners purchasing AHOP sponsored dwellings are forced to pay occupancy fees or rent that does not go toward amortizing their mortgages, that these individuals do not receive subsidization until the entire complex is occupied and that, in short, these individuals end up paying more for their home and more interest than they originally realized. What will the minister do to clear up this obvious shortcoming in the AHOP program?

Mr. Danson: Mr. Speaker, I will look into it immediately.

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EXTERNAL AFFAIRS

GOVERNMENT POSITION ON KUWAIT PLAN TO EXTEND AID PROGRAMS TO DEVELOPING COUNTRIES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is for the honourable and learned Secretary of State for External Affairs. Recalling that it is now some time since the director of the Kuwait fund for Arab development was in Canada seeking co-operation between Kuwaiti money and Canadian expertise in the extension of aid programs in developing countries, can the minister advise if and to what extent Canada is co-operating in this very positive outreach from one of the major OPEC countries.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker; I cannot advise at the moment but I will obtain the information immediately.

* * *

ENERGY

OIL—NEED FOR EARLY ACTION TO PREVENT CLOSING OF WELLS PRODUCING HEAVY CRUDE—GOVERNMENT POSITION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. Inasmuch as the actions taken by the National Energy Board, which were referred to in the minister's answer earlier this week, in connection with relief to the heavy oil industry will not provide any immediate relief for the month of February to this ailing industry, is the minister considering any other immediate action, such as amendments to the export tax or the quota system, to prevent the continuing mass closure of the heavy oil-producing wells, particularly in the Lloydminster area. I might say, Mr. Speaker, that the failure to initiate any immediate action results in many of these wells being closed the effect of which is that they will entail very heavy starting up costs and in many cases the wells may never again be producing wells.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I answered this question earlier this week. I indicated we have been talking to the industry and to the provinces and have been trying to work out arrangements which will secure the industry. We believe the changes in the regulations with regard to oil exports for the months of March and April, nominations of which are now being called for, will help alleviate the situation.

Mr. Mazankowski: Mr. Speaker, inasmuch as the wells are continuing to close—Husky Oil will be closing another 500 in the month of February—notwithstanding the action taken by the minister, is he not prepared to do anything else but allow the industry to collapse as a result of the ambivalent government policies which have been imposed upon it.

● (1150)

Mr. Gillespie: I believe that the industry itself has a responsibility for its own survival, and there are a number of measures it could take as well.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

HEALTH

PROPOSED STUDY BY COMMITTEE OF MERCURY POISONING IN NORTHWESTERN QUEBEC

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the Minister of National Health and Welfare.

Considering that mercury pollution has disastrous effects in northwestern Quebec and that each week we learn that new victims of mercury poisoning are being discovered in this area, could the minister tell the House if he is prepared to recommend that the Standing Committee on Health, Welfare and Social Affairs go to that location in northwestern Quebec to investigate mercury poisoning?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, a federal-provincial team is already working actively in this field; it is composed of leading specialists. I think that the best work is that now being accomplished by experts in the field. As to whether or not the health committee should be sent there, this decision is not my responsibility.

MEDICARE—INQUIRY WHETHER VOTE ON BILL C-68 AWAITING CONSENSUS OF PROVINCES

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

Referring to the statement made by the former Minister of Finance on medical care last June and recognizing the commendable efforts the minister made at the provincial level to have them accept the amendments concerning health care, and recognizing now with Bill C-68 that the provinces still seem to be seriously concerned, would the minister be prepared to seek a consensus with the provinces and wait for this consensus before inviting the House to vote for Bill C-68 on third reading?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, for several years now the federal government has been trying to follow the procedure of consensus in the area of health and in many other areas, even well before my appointment as Minister of National Health and Welfare.

Mr. La Salle: Mr. Speaker, I wish to ask a supplementary question. I acknowledge the minister's good answer but my question is as follows: Is the minister prepared to wait for a provincial consensus before requesting the House to adopt this bill on third reading?

Mr. Lalonde: Mr. Speaker, as I have already indicated in my speech on second reading, we have held major consultations with the provinces during the last few months before some amendments and modifications to Bill C-68 were put forward. As the government House leader has indicated, the government now intends to proceed with the study of this bill. When the bill is referred to committee, I shall be pleased to propose the amendments that I have already mentioned. I think this is the best procedure under the circumstances and one which, hopefully, will be adopted by the House shortly.

* * *

[*English*]

INDUSTRY

CABINET COMMITTEE STUDY OF PRODUCTIVITY—POSSIBLE EXTENSION OF REFERENCE TO INCLUDE CONSEQUENCES OF BUDGET CUTS FOR RESEARCH

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is to the Prime Minister. Yesterday in answer to a question by the hon. member for Prince Edward-Hastings the Prime Minister indicated that he had established a Privy Council Committee to look into the question of productivity. Could he tell the House whether this Privy Council Committee study included a consideration of the consequences to Canada's future technological competence, and therefore future productivity, of the effects of the government's decision to reduce spending on research and development?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the suggestion made by the hon. member for Prince Edward-Hastings was a much more sensible way of getting that type of answer. He suggested a statement at one point, and I indicated one would be made either in the form of a speech or in the form of a statement on motions.

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EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTORS TO SOUTH KOREA AND ARGENTINA—SUGGESTED INTRODUCTION OF MOTION OF APPROVAL

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In reply to a suggestion made by my colleague, the hon. member for Nanaimo-Cowichan-The Islands, that the minister should introduce a motion in the House to approve of the agreements in regard to the sale of nuclear reactors to South Korea and the Argentine the minister promised to consider this suggestion. Will the minister now state his intention to introduce the proposed motion so that parliament itself may consider these agreements, which purport to provide for safeguards, which Mr. David Lilienthal, first chairman of the U.S. Atomic Energy Com-

mission, and Canada's General Burns have both said are useless in stopping the proliferation of nuclear weapons, thereby inviting impending disaster?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I said, following the making of the statement and the comments, that I would consider whether a further resolution would be required. I believe when I did make my statement there was a very full discussion. Statements were made and questions were asked and answered and at the moment I do not personally see the necessity of bringing in a special resolution for agreements which are already in effect, in accordance with a practice which has been followed in this country for a long time. However, it will be possible in the Standing Committee on External Affairs and National Defence to question me further on the elements of these agreements when my estimates are before the committee.

I should remind the hon. member that I did table considerable background material on Canada's nuclear safeguards policy. I believe that upon examination the hon. member will agree with me that we have entered into very stringent safeguards, and that in either country involved will Canada be in any way increasing or adding to any capability for proliferation. In fact, the opposite is the case.

Mr. Brewin: I think the minister has missed the point, which is that we suggested parliamentary approval. I ask him whether he has taken into account the statement made by the Right Hon. Mackenzie King that parliamentary approval should be sought for international agreements where the matters involved are of large expenditure or political considerations of a far-reaching character. In view of this pronouncement by Mr. Mackenzie King, who was for many years our prime minister, I ask whether the minister will give further consideration to carrying out the suggestion made by Mr. Mackenzie King as to the need for parliamentary approval.

Mr. MacEachen: While I do respect any pronouncement made by Mr. Mackenzie King, in this case I do not find that his pronouncement should determine the course of action to be taken by the government.

Mr. Knowles (Winnipeg North Centre): He will come back to haunt you.

Mr. Trudeau: He is here.

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INQUIRY OF THE MINISTRY

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I have a question for the Prime Minister. The Prime Minister will be in the province of British Columbia for the whole of next week.

Some hon. Members: Oh, oh!

An hon. Member: Here comes the P.R. Department.

Mr. Anderson: I extend to the Prime Minister a warm welcome to la plus belle province. During the proposed meetings with the premier of British Columbia will the questions of the implementation of the guidelines and the AIB be discussed, and if so, will the Prime Minister assure the House that he will not be brutally frank with the premier in his discussions because of the brutal headache the premier has regarding the Insurance Corporation of British Columbia?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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EXTERNAL AFFAIRS

CUBA—SUGGESTION CANADA WILL HELP FINANCE PURCHASE OF NUCLEAR REACTOR—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Secretary of State for External Affairs arising out of what I think must be a very wild report contained in a respected United States weekly, and I quote:

> Cuba is to get an atomic power plant from Russia to be completed in 1978 with financing by France, Britain and Canada, among others.

Some hon. Members: Shame.

Mr. Stanfield: Can the minister tell the House whether Canada is either involved in or considering financing such a plant either directly or indirectly? Surely, we are not that wild.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the answer is no, we are not that wild. We are not involved in any such arrangement.

Mr. Stanfield: In view of the Latin connection which has developed, could the Prime Minister or the Secretary of State for External Affairs indicate whether the U.S.S.R. has agreed to supply a nuclear reactor to Cuba, and if so, what are the safeguards imposed?

Mr. MacEachen: Mr. Speaker, I do not know if the U.S.S.R. is planning to provide a power reactor to Cuba, but I would say that they have been a party to the ongoing consensus at the suppliers' meeting. As I understand it, they would apply the internationally accepted safeguards to the transmission of any plant to any other country.

● (1200)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on the point of order of which I gave notice at the conclusion of the exchange I had with the Minister of National Health and Welfare. In view of the minister's admission that the Family Allowances Act, which is an act of this parliament, requires the escalation of family allowances, by what authority is that escalation being withheld?

Mr. Lalonde: Mr. Speaker, I think this question should more properly be addressed to the Minister of Justice, in the present circumstances.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, can this government break the law with impunity?

An hon. Member: Yes.

Mr. Lalonde: On that point of order, Mr. Speaker, the hon. member knows the formula is put in the act itself and I would refer him to it. The law provides for an escalation to be tabulated from one certain period to another period; and it is then by order in council that this particular escalation takes place. The hon. member has been in this House much longer than I have been. If he looks at the statute, he will find that there is no problem. However, we can discuss this matter later.

Mr. Knowles (Winnipeg North Centre): Maybe the minister had better have a look at it, too.

Mr. Paproski: I rise on a point of order, Mr. Speaker. It is my understanding that the Minister of Transport has a very important announcement to make today, namely, the appointment of a new president of Air Canada. I hope, if he is going to make the announcement, he will make it in the House and will assure the House that he will do so.

Mr. Brisco: Mr. Speaker, in view of the fact that there have been, and there are, a number of Canadians in Guatemala today, and in view of the fact that no statement has been made in this House with respect to their welfare, and also in view of the fact that I was not recognized and could not ask the Secretary of State for External Affairs about the condition of Canadians in Guatemala and what the government is doing to help them out, may we expect a statement? There are a lot of Canadians who want to know where their sons, daughters and relatives are.

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

TABLING OF FINAL REPORT OF LAW REFORM COMMISSION

Hon. Ron Basford (Minister of Justice): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table, in both official languages, the final report of the Law Reform Commission of Canada on dispositions and sentences in the criminal process. May I say this is an extremely important report that I recommend to hon. members.

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,128, 3,766, 3,831 and 3,964.

Order Paper Questions

[*Text*]

APPOINTMENT OF MASTER OF ROYAL CANADIAN MINT

Question No. 3,128—**Mr. Cossitt:**

1. In what electoral district is the Municipality of St. Laurent, Quebec, situated and who represents it in Parliament?

2. (a) On what date was Mr. Yvon Gariépy appointed to the position of Assistant Commissioner of the Canadian Penitentiary Service (b) what was his complete previous employment record in the Public Service (c) did he serve as a Director General of the Municipality of St. Laurent, Quebec, immediately before his appointment as Deputy Commissioner of the Canadian Penitentiary Service (d) what were his qualifications considered by the government in making this appointment?

3. What was the name of the Solicitor General of Canada at the time that Mr. Gariépy was appointed Assistant Commissioner of the Canadian Penitentiary Service?

4. On what date was Mr. Yvon Gariépy appointed Master of the Royal Canadian Mint and what were his qualifications considered by the government in making the appointment?

5. What was the name of the Minister of Supply and Services at the time Mr. Gariépy was appointed to the position of Master of the Royal Canadian Mint?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Supply and Services, the Public Service Commission and the Department of the Solicitor General as follows: 1. See Beauchesne's Parliamentary Rules and Forms, Fourth Edition, Citation 171(ff).

2. (a) Mr. Gariépy was appointed Deputy Commissioner, Operational Services, Canadian Penitentiary Service, on October 1, 1972. (b) Mr. Gariépy was employed as a summer student by the Department of Public Works in Montreal during the summer of 1951. (c) Prior to his appointment as Deputy Commissioner of the Canadian Penitentiary Service, Mr. Gariépy was General Manager of the City of St. Laurent, P.Q. (d) In assessing Mr. Gariépy's qualifications, he was judged against the requirements of the position and was found to possess the professional and managerial capabilities required to discharge the responsibilities of Deputy Commissioner, Operations, Canadian Penitentiary Service.

3. See Beauchesne's Parliamentary Rules and Forms, Fourth Edition, Citation 171(ff).

4. June 16, 1975 by Order in Council PC 1975-1302. Mr. Gariépy is a graduate in Applied Science (Engineering) and has served as Deputy Commissioner Penitentiaries (Operational Services). His appointment was recommended by the Board of Directors of the Royal Canadian Mint following the recommendation of a firm of consultants who were conducting an in depth study of the organization of the Mint and who recommended Mr. Gariépy as a most suitable candidate for the position of Master of the Mint.

5. See Beauchesne's Parliamentary Rules and Forms, Fourth Edition, Citation 171(ff).

STAFF OF PRIME MINISTER'S OFFICE

Question No. 3,766—**Mr. Cossitt:**

What are the (a) names (b) job designations (c) salaries or remuneration of any kind of all persons employed by, attached to, on loan to, under contract with, or in any way connected with the Prime Minister's Office?

Order Paper Questions

Right Hon. P. E. Trudeau (Prime Minister): See reply to Question 2,984 tabled this day.

BESSBOROUGH HOTEL, SASKATOON

Question No. 3,831—**Mr. Benjamin:**

1. Does the Department of Regional Economic Expansion rent space in the Bessborough Hotel in Saskatoon and, if so (a) how long is the lease (b) on what date was the lease signed (c) what is the amount of the lease rental agreement?

2. What other offices, departments or agencies are leasing space and under what arrangements?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Regional Economic Expansion and Public Works as follows: 1. No. The Department of Public Works rents the space that the Department of Regional Economic Expansion occupies in the Bessborough Hotel. (a) Five years. (b) February 10, 1975. (c) $144,000 per year.

2. The Department of Public Works rents no other space for other Departments or Crown agencies in this building.

ESTEY AIR CANADA INQUIRY

Question No. 3,964—**Mr. Murta:**

What was the total cost of the Estey Air Canada Inquiry?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question No. 3,770, *Hansard* 231, page 10,296 of January 26, 1976.

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[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 2,984 could be made an order for return, this return would be tabled immediately.

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

[*Text*]

STAFF OF PRIME MINISTER'S OFFICE

Question No. 2,984—**Mr. Clark (Rocky Mountain):**

For the fiscal years 1974-1975 and 1975-1976, what are the (a) duties (b) salaries (c) names of the members of the staff of the (i) Prime Minister's Office (ii) Privy Council Office and what is the job description for each such position?

Return tabled.

[Mr. Cossitt.]

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Thursday, February 5, consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. William Knowles (Norfolk-Haldimand): Madam Speaker, my reason for speaking is that I support wholeheartedly the subamendment proposed by the hon. member for Vancouver-Kingsway (Mrs. Holt), a motion which has the effect of removing the censorship aspect of this legislation. I am sure that by doing this we are now getting down to the philosophical aspect of this bill. This is what is of such great concern to people on this side of the House and several members on the government side.

Another reason for speaking in this debate is that I have received, as have many other hon. members, literally hundreds of letters from constituents. I feel I would be less than responsible if I did not rise to express their views on this very important piece of legislation. Every letter has asked that I, as a member of parliament, do all in my power to block legislation that will have the effect of forcing *Time* and *Reader's Digest*, as we know them in their present form, out of Canada. It is true the American editions would continue to be published and would be sold in Canada. That point has been made by the supporters of this bill. But that is not the real point, Madam Speaker. The thing that Canadians are upset about is the fact that the Canadian editions, as we know them, will be removed from the bookstores and the mail of Canada. Canadians want the Canadian edition because of its content.

The issue which should trouble us most is the totalitarian nature of the government's legislation. Over half a million copies of *Time* are circulated in Canada. This is a very large circulation, by any standard, for a country like ours. These are copies which are printed in this country, though the largest part, by far, of the editorial copy originates in *Time* news bureaux in the United States and around the world. Canadians like myself have deliberately chosen this publication because it provides a window on the world which no Canadian publication can ever hope to emulate—least of all *Maclean's* with its effete, simpering kind of Canadianism. We need the *Time* kind of journalism at least as much, if not more, than the sort of thing *Maclean's* keeps offering us.

I have read *Maclean's* for at least half a dozen years and I think I understand its approach to journalism. If some hon. members have read *Time* magazine's 1975 account of the United States government's fiasco in Viet Nam, in terms of sober and, ultimately, health-giving reporting, I think they will understand what it is about a publication such as this which has made so many of us reach for it rather than for *Maclean's*.

● (1210)

I understand the government's position is that to qualify as a Canadian publication a magazine in this country would need to be 80 per cent different from the parent, United States publication, and 75 per cent Canadian-owned. Applied to *Time*, this rule would obviously mean that the magazine would cease to be. By introducing such rules the government would so affect—totally remake, so to speak—the magazine that *Time* could no longer continue in the form in which we have chosen to receive it. This is a form of muzzling of the press which we should view seriously. Already we are exposed to many extremist voices in this country. This legislation would make us more susceptible to them and would not give us easy access to publications with a large world view. This bill is opening the door for the narrowest kind of Canadianism and to the strongly ideological kind of journalism which is becoming increasingly prevalent in this country.

Most frequently overlooked is the fact that *Time* and *Reader's Digest* have not been given special advantages. These magazines competed in the Canadian marketplace in the same way as other publications. This issue has been presented to the Canadian public in such a way that many feel genuinely that advertisers in *Time* and *Reader's Digest* have had tax advantages which advertisers in Canadian publications did not have. Canadians should know that this is not the case. *Time* and *Reader's Digest* are being placed in a position of tremendous competitive disadvantage in the hope, as the government likes to believe, that advertisers will take their advertising from these two publications and place it in fully Canadian-owned publications. Taken by itself, that is a most doubtful assumption. We ought to view such attempted manipulation of the press with the utmost seriousness. The free press ought to be one of our most cherished possessions, jealously defended. In a very real sense, Canadians are being deprived of their freedom of choice.

The government's action reminds one more of a totalitarian régime than a truly open democracy. Such action by a Canadian government gives me a great sense of foreboding. The outcome will very likely be that *Time* and *Reader's Digest*—certainly the former—will, for all practical purposes, be legislated out of the country by means of economic levers. Canadians will have been deprived of one part of their freedom of choice. One more step will have been taken along the road to repressive action, and all this will have been done without guaranteeing the very thing the government is ostensibly concerned about, namely, a Canadian magazine industry with strong economic viability.

Why are Canadians so concerned about what is happening? Originally, I suggest, the minister intended to force both publications out of this country. *Reader's Digest* is the best family magazine that enters Canadian homes. It is a welcome visitor, an old friend. For the time being the magazine has been reprieved. Personally, I condemn the method by which this was done. It is not spelled out in legislation. It is open to any future minister of national revenue to reverse such a decision. How would he decide, after a bad night, say, or a bad day, when this matter could come up for decision again?

Mr. Baldwin: And the minister has so much on his mind that his nights must be bad.

Mr. Knowles (Norfolk-Haldimand): Perhaps another minister's view of what constitutes 80 per cent Canadian content will be different. I have never been ashamed to admit that *Reader's Digest* enters my home. I think it is a fine family magazine, fit for children to read. I welcome it; I welcome its wholesomeness. The magazine does not resort to four-letter words, pornography or near pornography, in order to attract reader attention. In recent years, 30 per cent of its material has been of Canadian content and its articles are attractive to Canadians. It prints factual accounts of Canadian geography, human interest stories about Canadians, and interesting, readable vignettes about our history.

The Secretary of State (Mr. Faulkner) spoke about taking the advice of advisers in his department before proposing Bill C-58 as now printed. He ought to have consulted experts in literary matters. Perhaps he did. Perhaps he overlooked the expertise of the hon. member for Vancouver-Kingsway (Mrs. Holt) who in her interesting and logical speech last night showed that she possesses knowledge and expertise of literary matters.

An hon. Member: She sure took a long time doing it.

Mr. Knowles (Norfolk-Haldimand): The ministers concerned ought to consider the views of departmental experts, but they ought also to consider the views of the Canadian people. I suggest that they have paid too much attention to the views of the periodicals' association which has an axe to grind and wants to promote its own interests. I suggest that the desires of the Canadian people should prevail. The government should pay more heed than it has to the wishes of Canadians. I should like to put on record the views of certain people who wrote to me communicating their concern about the matter we are discussing. First, may I read the letter of the Reverend Peter Brouwer, who wrote:

> With respect to the government's intention to rescind section 19(2) of the Income Tax Act, I wish to express my strong objection. We appreciate and enjoy *Reader's Digest* and *Time* magazine a great deal and I hate to see it go or hurt in any way.
>
> As far as we are concerned, there is nothing comparable that can replace them, especially *Reader's Digest*. It has a good percentage of Canadian content and we would be deprived of that if *RD* would have to go.
>
> *Reader's Digest*, I feel, does our country a very worth-while service. It gives work for many Canadian workers and writers.
>
> If the government really wants to strengthen the Canadian magazine industry, let them come up with something comparable even if it means a little extra help. I have nothing against that—

He says that penalizing good, bona fide foreign magazines which try hard to give good Canadian content, is wrong. He ends the letter by saying:

> —And why should we be subjected to such arbitrary government interference?
>
> Please, let both *Reader's Digest* and *Time* magazine keep their present status.

Next, let me read a letter from an educator, Sister Therese Messner of St. Patrick's separate school in Caledonia. She writes:

Non-Canadian Publications

As an educator, I am an avid reader of the *Reader's Digest* and use it frequently in my English classes, so therefore I would hate to see this publication discontinued in Canada.

She asks, would I please, when section 19(2) of the Income Tax Act disallowing, as a business expense, advertising placed by Canadian companies in the *Digest* is debated, keep this in mind. This magazine helps our children, she says. The third letter concerning *Time* and *Reader's Digest* is from a lawyer. He writes:

Dear Bill:

I spoke to you last Friday to voice my views about the attitude that the government is taking toward *Time* and *Reader's Digest*. I am not a constant reader of the latter although I have been a subscriber to *Time* since I was at law school in the late 1930s.

● (1220)

I pointed out to you that one of the commendable things that *Time* did during the war was to establish what they called—if my memory serves me correctly—a pony edition. This was an edition printed on fine paper, and carrying no advertising, which they airmailed to their subscribers in the armed forces who were overseas, including the Canadian forces, so that we used to have our edition of *Time* usually within a week of it hitting the streets in North America.

If the proposed legislation does anything to prohibit *Time* from carrying on in Canada as they have in the past, I will be most unhappy.

There are many other letters, but I feel these three are a fair example. They are all from responsible citizens. Other Canadians accomplished in journalism, authors, writers, and so on, have expressed the view along the line I have attempted to present today. Editorials in the daily press all across Canada have condemned the principle behind Bill C-58. They say that the 80 per cent difference in content requirement is a form of censorship; it is most dangerous. I would call it a censorship by mathematics. Mathematics is a precise science dealing in figures. Here we are talking about ideas and literary content. How could a magazine be censored by mathematics? In my opinion, the officials of Revenue Canada are the least qualified to do this of any government department.

As I said a few moments ago, one of the most qualified people in this House to do this would be the hon. member for Vancouver-Kingsway. She has many years of experience, and a good reputation as a journalist. We should listen to what she is saying. Why does the Minister of National Revenue (Mr. Cullen) not consult her before putting a mathematical value on content? The hon. member to whom I referred was not even permitted to be a member of the committee and to make a contribution to it. The government whip is usually a congenial person even though he has a rather loud voice. I hope she was not intimidated by his voice. Surely the whip should have seen the reason and should have permitted her views to be expressed.

Some hon. Members: Hear, hear!

Mr. Knowles (Norfolk-Haldimand): Advertising costs should be deductible. The competitors of *Time* and *Reader's Digest* claim that those magazines have an unfair advantage in attracting advertisers. That is not so. The reason for advertising in those magazines does not have anything to do with the cost. The fact is that the cost of such ads are deductible, in the same way that advertisers can deduct for advertising in Canadian magazines. The advantage of deductibility is the same for all. The compelling reason lies in the fact that these two magazines have the greatest circulation and readership; therefore, there is the greatest possible exposure for advertisers.

I wish to refer to the comments of the hon. member for Okanagan-Kootenay (Mr. Johnston) whom Your Honour censured the other day, if I may be so bold as to say that. He did not have the opportunity to make his point. He stated that article after article in *Saturday Night* expressed the Canadian scene in a way that simply turned off readers. Having read one or two issues of that magazine, I found it a most destructive and demoralizing view of the Canadian scene. *Maclean's* is often in the same category. Nobody wants to be continually fed this sort of thing. The writers in Canadian magazines are what I call iconoclasts: they want to tear down anything that detracts; they do not give Canadians a sense of well-being or a sense of being proud to be Canadian. It is for this reason that *Time* and *Reader's Digest* attract the readership they do. This is why advertisers use them to reach the Canadian people.

Magazines such as *Maclean's* need only to improve their format. I would be less than honest if I did not admit that they made some effort in this regard, although they still turn me off. They must improve their format in order to appeal to a larger cross-section of the Canadian people. If they do that, they will certainly increase their circulation and readership. They will then attract advertisers and get their share of the advertising dollar.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member, but his time has expired. He can complete his remarks only with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Knowles (Norfolk-Haldimand): Madam Speaker, I thank hon. members for giving me permission to continue. The word "conclusion" appears at the top of the page in my hand. I have shown that Bill C-58 flies in the face of what grassroots Canadians really want. It is important to have another look at the "content" interpretation based on the 80 per cent content rule, or to simply remove it altogether as this subamendment suggests. That is why I support it. There needs to be much greater precision in defining what the government is talking about. It cannot be left to the whim of any minister. Surely it is not beyond the competence of the departmental officials to devise a precise way of indicating what they want accomplished. It would be far better to remove this provision altogether.

I admit that the present minister has good intentions. Previous speakers have complimented him. I know him as an honourable minister who wants to do what is right. I feel he had a gun held to his head, perhaps by the Secretary of State or the cabinet, and this compelled him to take this avenue of accomplishing the removal of *Time* and *Reader's Digest* from the Canadian scene.

There is the threat of closure. To what end? *Reader's Digest* will live, thanks to the minister and the special arrangement he has made. Let me say, however, that we want to know about it in more precise terms. The Canadian edition of *Time* will perhaps disappear. Canadians will have lost a publication which gives us a view of the world. As I said before, it is a window on the world. The advertis-

ing revenue accruing to other Canadian magazines such as *Maclean's* will remain essentially the same, for the reasons I have given. I will support all amendments and subamendments which have the effect of permitting *Time* and *Reader's Digest* to continue to provide intelligent, interesting reading to thinking Canadians.

Mr. Alan Martin (Scarborough West): Madam Speaker, in rising to speak in support of motion No. 4, placed before the House by the hon. member for Ontario (Mr. Cafik) and seconded by myself, I think it becomes quite obvious that I have serious misgivings about certain aspects of the bill that is before us. This is a somewhat difficult and delicate role for a backbencher to play. For this reason, and at the outset of my remarks, I want to express my support and encouragement of the two ministers involved who have been faced with the unenviable task of attempting to grapple with yet another aspect of our developing Canadian nationhood—that relating to the status of the publishing industry in this country and the promotion and sustenance of greater Canadian talent in that area.

There is one other general comment I would like to make at this point, and I feel this very sincerely. I feel it is an indication of the real strength of the government, and of the party which forms the government—of which I am proud to be a part—that, as a backbencher of rather lowly rank, I can rise in this chamber and speak freely and express my concern about specific aspects of this legislation, even when such concern extends to the point where the member may find it beyond the bounds of his considered judgment to be able to support the legislation in the final stages of debate.

● (1230)

Some hon. Members: Hear, hear!

Mr. Martin: I want to talk on several aspects of the bill, but first I would like to speak about the intent of the legislation as I understand it. My understanding is that it is intended to assist Canadian newspapers and the periodical industry, to promote Canadian talent and to take a further step in our development as an independent and interdependent nation. So what did we do? Ten years ago we introduced a 75 per cent ownership clause. This was the key. This was the clause which exempted, at the time, two prominent international magazines then on the market in *Time* and *Reader's Digest*. It was a move in the right direction. It was a move which had the general support of Canadians.

What are we doing now? We are taking this one step further: we are introducing Bill C-58 and we are saying that the exemption given ten years ago to those particular periodicals is not valid today and that it should be withdrawn. Basically, that is all that the legislation says. The legislation as it is proposed at the present time really changes no other aspect. So Bill C-58 is really intended to complete the job which was started ten years ago.

The problem arises with the introduction of a new definition which really came before us some ten months after the bill was introduced. It is not a factor in the bill itself, but it is clear—and I think the minister deserves credit for having made this clear—that it is going to be part of the regulations that will be followed as the bill is administered. The key phrase in this connection is "not substantially the same". For the last ten years there has never been a test, as I understand it, of that particular phraseology in the Income Tax Act. It was never queried. This was probably one reason why the legislation worked so well. It was never queried until this spring, and at the time it was queried my understanding is that departmental officials in the Department of National Revenue, in their usual able way, looked at it and said, "Well, we would interpret this as being 50 per cent different."

That was a reasonable conclusion, arrived at by reasonable people. The senior officials in the Department of National Revenue are, indeed, very reasonable people. My understanding is that, based on that ruling, one of those international magazines, namely, *Time*, proceeded to arrange its affairs so that it could live with Bill C-58. In other words, it was prepared to become a Canadian magazine 75 per cent owned and controlled in Canada and it was prepared to change its format dramatically so as to have a 50 per cent Canadian content. In the case of *Reader's Digest*, I understand they never did give that indication; they never did indicate, until very recently, that they had any intention of Canadianizing their operation as *Time* had done. Then, late in October, the government came up with this 80 per cent factor, and this, I suggest, drastically changed the rules of the game.

Some hon. Members: Hear, hear!

Mr. Martin: I am not a lawyer, but it is not at all clear to me how something that is "not substantially the same" has to be "80 per cent different." It seems to me that if the legislators in 1965—and I was not among them—had wanted "not substantially the same" to mean something other than a normal person would deem it to mean, they would have inserted such definition into the legislation at the time. Surely, if they had thought in terms of 80 per cent different or 75 per cent different, or whatever, they would have indicated as much and put it into the bill at that time. However, they did not, and I think that is an important point.

My objection is that we should be forced to accept as an understanding, as we review and pass Bill C-58, that even though there is no change in the bill itself, based on the 1965 "not substantially the same" terminology, that part of what we are doing must be deemed to change that situation. In other words, we understand there is to be an accompanying regulation which will say that from now on "not substantially the same", regardless of what it meant in the past, will from now on mean "80 per cent different."

The nub of the issue, in my view, is that this is really not what parliament wants at all, and I do not think it is really what the Canadian people want. That is why I am supporting the "60 per cent different" terminology in motion No. 4. I believe it refers to 40 per cent the other way, but effectively 60 per cent is the content factor included in motion No. 4. If the government proposes to get into the content game, that seems to be a much more rational and acceptable approach and one which contains a reasonable degree of fairness and equity. I believe we need to put this into legislation if we are going to do it at all.

Madam Speaker, there are a number of points I wish to cover. My time is limited, so I propose to discuss now some

aspects of the content provisions of the legislation which are of particular concern to me. Following that, I shall probably come back to another matter relating to the "international pool" development which is now applicable to *Reader's Digest*. But I will skip that for the moment. Let me speak of the content rule. I want to talk for a few moments about the matter of freedom of the press. I know that the last thing in the minister's mind is that any enactment of parliament under his direction would in any way attempt to limit the freedom of the press as we understand it in Canada. Yet I submit that, wilfully or not, imposing this 80 per cent content factor really does have an effect in that direction. It must be accepted that in future, assuming the passage of Bill C-58 in its present form, Canadians engaged in publishing periodicals or newspapers in this country will not be free to publish what they wish and to stay in business, simply because advertising revenues will not be available to them unless they conform to a specific government requirement imposed by parliament.

Normally, my concern about this issue would not be so great as it is had I not had a recent international experience during which I talked first-hand to the people who knew whereof they spoke. I refer to complete withdrawal of the freedom of the press under a parliamentary system not very different from our own. This experience remains with me and will never, likely, be erased. I was also amazed to read recently of the freedom threats that were implied by a reputable Canadian editor to have been directed to the press around the free world in 1974. He referred to such countries as Portugal, Greece, Lebanon, Iraq, Turkey, Thailand, Cambodia, South Viet Nam and Africa, among others. Madam Speaker, without further elaboration of this point, which I know will be disagreeable to many members of this House, I just want to say I agree with the concept that magazine readership must be earned and that it cannot be legislated by government.

The next point I would like to touch on is one relating to advertising dollars. Until quite recently I was under the impression that these two international magazines which have been of such concern to us were drawing a very large proportion of advertising dollars in the consumer magazine advertising business in Canada. I now understand, from what I consider to be a reliable source, that the total obtained by these two magazines in 1975 was 20 per cent, compared with the combination of the Toronto *Star* and the *Maclean's* group which drew 47 per cent.

● (1240)

An hon. Member: Of what?

Mr. Martin: Advertising revenue. *Time*, the magazine that now seems to be the only one under the gun, drew 12 per cent on its own. The point is that Canadian magazines are indeed growing quite well and it may really be doubtful whether the content protection is basically needed for them. From a circulation point of view, however, it is clear that Canadian magazines would be happy to see the disappearance of those that have an international base, something that in my view will not actually occur because I do not think that the readership of *Time—Reader's Digest* being no longer affected—will drop by a single subscription.

[Mr. Martin.]

I should like to make a few remarks about what I consider to be the counterproductive nature of this legislation, and I am particularly referring to the 80 per cent factor. Presumably, the intent of the 80 per cent is to keep any new international periodicals out of the country, or at least to prevent them establishing a Canadian-owned and operated organization. It was also the intent that *Reader's Digest* would probably have to fold its Canadian operation, though this matter has now been resolved.

My view, as I mentioned earlier, is that the readership of *Time* magazine will not decrease by one subscription. So really what we have done is to eliminate not only the possibility but, indeed, the firm and stated intent of a major international newsmagazine to Canadianize its operations and vastly change the format of its publication so as inevitably to enhance development of the Canadian periodical industry, with all its offshoots in the area of Canadian talent and business to Canadian enterprises that that would bring. Surely we are not looking at this time for a means to lessen economic activity in this country. By throwing out the existing Canadian edition we are even going so far as to take away whatever economic benefit may have existed in the country. At the same time we are effectively saying no to the potential of a much more Canadianized operation in all respects. I simply do not understand the thinking that has led to this kind of development, Madam Speaker. To me, it makes no economic sense whatsoever, particularly at this point in time.

I would now like to speak about the creation of a precedent that I see arising from the 80 per cent question. As a chartered accountant engaged in a number of industry settings prior to my election to this House in July, 1974, I had a good deal of interaction with the Income Tax Act and with the officers at all levels of Revenue Canada who have had the responsibility over the years of administering this very complex statute, which has become even more complex since 1972. I have developed a great respect and esteem for the senior officers of Revenue Canada. In fact, it is, I think, the real strength of our taxation system that we have been able to entice and hold people of such calibre to manage and administer the legislation that brings in the revenues of this country.

I believe it was the hon. member for Mississauga (Mr. Abbott) who drew the attention of the House to the fact that the Minister of National Revenue (Mr. Cullen) and his officers are frequently making interpretations under the Income Tax Act. They do this under the regulations that accompany the act. This is part and parcel of the difficult role which they are frequently called upon to play. However, Madam Speaker, in my view—and this has been my experience over the years—the government has normally attempted to restrict these regulations to accompanying sections of the Income Tax Act where in fact it was not possible to cover in the actual law the varying sorts of problems that might arise in practice. Yet that, surely, is not the case here.

It follows that the argument relating to the frequency of use of ministerial discretion under the normal operations of the Income Tax Act does not apply in this case. Here, is simply a question as to whether the figure of 80 per cent, 60 per cent, 50 per cent, 40 per cent or whatever should be inserted into the legislation. To not insert a definite figure,

in my view, is attempting to do by ministerial discretion what we are not prepared to do in the normal parliamentary process. This grates me, Madam Speaker, and I believe it is a most undesirable precedent for this House to adopt.

I should like to say a few words about the timing of this legislation. I do not find it difficult to support that portion of the motion put forward by the hon. member for Ontario which simply would give a reasonable amount of time to both *Time* and *Reader's Digest* to enable them to arrange their ownership affairs in order to meet the requirements of a proposed piece of legislation that will conceivably be passed into law within the next few months.

To suggest, as I believe has been suggested, that an effective date of January 1, 1976, would be fair under the circumstances, in view of the fact that these periodicals have been aware for some time of the intentions of the government in regard to this bill, is in my view stretching the credibility of such an argument far beyond any bounds that can be construed as in any way being fair and reasonable. It is my sincere hope that businesses operating in Canada will always be in a position where they can depend on the laws of the country, as they may exist from time to time, in carrying out their operations and making business decisions that may indeed be fundamental to the continuation of such operations in the country, as is indeed the case with Bill C-58.

In conclusion, Madam Speaker, I should like to make a few points quite clear in regard to my position on this bill. First, I consider it not only a privilege but a responsibility to speak out in this important forum when confronted by an item of legislation that, in my best judgment, is not in the interests of the public at large. Second, I want again to express my confidence and my satisfaction as a member on the government side in the completely open and almost supportive stand that this government is prepared to take in regard to members who from time to time disagree with specific items of legislation.

My last point is that I want to make it aboundantly clear that I have absolutely no axe to grind with, or on behalf of, any existing periodicals operating in this country which will be seriously affected by this legislation, or indeed with any other publications of international repute which will now be precluded from establishing a Canadian-owned and operated enterprise in the future. My only interest is to see that any legislation in which I participate as a member of parliament during my time on the Hill is truly in the public interest. I do not believe that the existing format of Bill C-58 is so, with specific reference to some of the trappings associated with the bill. I urge members of the House to support motion No. 4 which has been put forward by the hon. member for Ontario.

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, probably no piece of legislation has generated a more strenuous and informative debate than the debate which has evolved around this particular piece of legislation, its amendments and the motions associated with it. Perhaps at no time in parliamentary history, both through the expressions of members of the House and expressions supported by communications, be they verbal or written, has there ever been such a preponderance of evidence that the government is taking a course that is not approved by the people and which is not necessarily in their best interests.

● (1250)

I think it would be rare indeed if one were to look through the records of this House and find that speech after speech from the side of the proponents of a piece of legislation have criticized and complained about the effects it would have upon them, their constituents and Canada at large.

This bill has been criticized authentically and in documentary fashion in respect of its difficulties of administration, the broadness of possible interpretation and the precarious position in which those that survive may find themselves after this legislation has been brought to bear. It does not necessarily apply only to foreign-owned structures, but it could conceivably apply to Canadian structures within the printing industry. It could, for instance, in many daily newspapers find people from the Department of National Revenue carefully looking over the paper to see how much has been generated by local reporters, how much has been generated on the editorial page by editorials copied from abroad, how much has come from UPI and other foreign sources, and how much has been picked up and merely rewritten to create an interest for the reader of that particular publication.

It is very broad in the impact that it might have while it is officially levelled at two publications in this country. It leads me to wonder whether it is in the interest of Canada, in the interest of the Liberal party or in the interest of some academics, regardless of the interest of the rest of Canada, that this particular bill is now before us. Has it got something to do with the philosophy of the publisher, or has it got something to do with the philosophy of the writers?

I think the hon. member for Okanagan-Kootenay (Mr. Johnston) made some very pertinent remarks in respect of the interesting aspects of articles which were published in *Saturday Night*. I think he defined quite adequately why that magazine has not had economic success. He explained why a multitude of Canadians would not read it in large enough numbers to attract advertising, regardless of the competition that existed.

So is it philosophy? Is it because a Sunday school teacher may on occasion take an article from the *Reader's Digest* to his class? Is it because a minister could quote that magazine effectively as he speaks from the pulpit? Is it because in the main *Reader's Digest* has been a supporter of the free enterprise system? Is it because on occasion it has attacked a political philosophy that we do not share in this country? Is that the reason? There is no other obvious reason, because you cannot legislate an effective press, as was mentioned by the hon. member for Scarborough West (Mr. Martin) only moments ago: you just cannot legislate an effective press or an effective magazine industry.

Let us take again the case of *Time*. *Time* magazine also has been a free enterprise structure. It has abhorred the interference of government in the lives of the people. It has, I must say, been a very vicious attacker of a former leader of our party and, in effect, in its attack has supported the present government and aided and abetted its election. It is now getting its throat cut.

Is that because it is philosophically not in line with the government of today? We cannot help but wonder about

these things. Is this another way of removing an obstacle from the minds of Canadians, an obstacle which might be in the way of the re-election of this government, because philosophically the mood of this government certainly is not reflected by articles which one reads in either of the magazines concerned? Certainly neither of these magazines would support this in a free editorial structure, and they are not free at this moment in time. They would scarcely dare open their mouths except in a plea for their support. Certainly they are not free at this moment in time to editorialize without being further considered guilty by a government of this structure and this nature.

There are in Canada a multitude of magazines which serve Canadians on a regional or relatively local basis. Among these magazines one would have to consider the *Atlantic Advocate*. It has been an authentic magazine with an attractive readership. It is a magazine which is taken to school, to the historical society and to other organizations as an example of authentic literature in respect of the area which it serves. It has given historic and current articles to the readership of that area which are of great significance. It has, without fear or favour requested, presented articles which attack the government of the day and which support the government of the day. It has represented the broad view of the editorial staff of this structure which has made it an attractive magazine read by maritimers whether at home or abroad.

I submit to you, Mr. Speaker, that if the national structure of the magazine industry in Canada were to follow the same pattern, Canadians would be seeking these magazines out and they would not be seeking those of foreign ownership or those of foreign publication. It is from this point of view, I think, that this House must consider what is good or what is bad for Canadians, because we cannot legislate change in the philosophies of those who write the present magazines.

I should like to take an example, as did the hon. member for Okanagan-Kootenay, of an article in *Maclean's* magazine by Mr. Harry Bruce, who I agree has done some good writing in Canada. He wrote an article about the rural community in which I live. That article discussed the principal economic support of that community and of tens of thousands of people around us, including an important part of the constituency of Victoria-Madawaska. The hon. member for Norfolk-Haldimand (Mr. Knowles) described this article extremely well when be wondered whether these were iconoclasts or whether they were looking for the things they could criticize and not looking for the good side.

This article pertained to the McCain food industry. Let me say at this moment that I have no conflict of interest because of any pecuniary interest in that corporation—none whatsoever. I happen to be one of the distant cousins to which they have never extended the use of their chequebook and are not likely to. I am certainly not taking their part; I am taking the part of the economic stability of the community in which I live. The national image which was created by the article written by Harry Bruce was detrimental not only to the company concerned but to the whole area because he criticized, while looking for nothing good, and he discovered virtually all the bad one could find. May I call it one o'clock?

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. McCain: Mr. Speaker, at the noon-hour I was mentioning an article which referred to one aspect of my constituency in which the subject matter was extremely critical. I submit it was not an in-depth consideration of the subject matter nor a fair consideration of it. The picture presented could reduce the business of the company concerned if the article were to be believed by all its readers. This is an article detrimental to the area in which I live. It is an article to which the owners, publishers, editors and whoever may be responsible did not give proper analysis prior to distribution. This is the kind of article which will not have the magazine read, no matter where published or by whom, and no matter how Canadian it may be. Altogether, too many of these articles appear.

I abhor the basic philosophy of so many people who seek out the bad in an individual, regardless of how good his record may be. I abhor the approach, that seems to be totally negative, where we cannot assess the positive and present that as well. I suppose the classic example in today's American publications would be the assault on the Kennedy's. The Kennedy's may be criticized for their accomplishments in the field for which they are noted, but it is also high time that they were assessed in their daily work rather than in the way they live. If this is a matter of interest to some, and I agree it is, it certainly is not an item of interest to an adequate readership in the Canadian magazine structure which we are talking about, or any other comparable structure anywhere in this world. Those who go for filth will read it, but those who go for information in their reading and expect information from national publications, of course, will not read it and will not be patronized, therefore, by the advertisers who must have readership if they are to obtain value for the money spent.

It has been stated in this House that there is a parallel. I will be repetitive in this regard, inasmuch as I made comparable remarks during an earlier phase of this debate. It has been stated that the materials which flow into the two magazines in this area do so at lower than the total cost. I submit that every magazine in Canada has a purpose to use syndicated columnists, and that every writer in Canada has a purpose to join a syndicated organization whereby his work can be distributed. I submit that if there is theft of our literature from Canada, we should not legislate other literature out but should negotiate a fair deal for Canadian writers and foreign writers, particularly from the United States. This has been mentioned in this debate.

This amendment does not at all correct the structure about which we are objecting. The amendment and the bill refer to an indefinable and only interpretable difference. I submit to you, Madam Speaker, that probably most members of this House could take a pen and, without research,

reproduce an article for *Reader's Digest* or *Time* magazine that would really accomplish little in result and would convey the full intent of the original author. That would contribute very little to society and would, in return, produce a lower fee for the writer while it would accomplish, in a poorer way, the same purpose. The writer would have condensed it, recondensed it and altered it—and who does not? It is just a matter of basic homework, and the cost of that homework, having been done abroad while some magazine hires a flunkey to do it over again, probably in poorer form. What are we really accomplishing?

● (1410)

I should like to issue a little warning to the minister. While he may be totally and completely dedicated to this cause, a group of his predecessors in cabinet have been equally dedicated to causes only to find, when their government was criticized for that cause, that they no longer held office. Just to cite a few, a gentleman by the name of Benson went across Canada with a white paper with the full backing of the Prime Minister. He was dedicated. He said, "This shall be our law, and this is our white paper." Mr. Benson did not even run for parliament after that. There was a minister of consumer and corporate affairs named Gray, and another fellow by the name of Haidasz. More recently, there was a fellow by the name of Turner. And what about another fellow by the name of Stanbury? I assure the minister that if, perchance, this government happens to experience political repercussions because of the dedication of the minister to a cause opposed by many Canadians, the name which is written at the end of that list may very well be his.

I regret very much that a good friend of mine by the name of Alden Nowland, who is nationally noted as an author, came under some criticism in the course of this debate, but if one is going to write, or if one is going to be in the field of politics, one has to be able to take criticisms and I am sure he will not mind. He has, by long personal sacrifice and dedication to his profession, achieved prominence in Canada, which is a great credit to him. While I reserve the right not to agree with him—and he has, in print, already reserved the right not to agree with me—that in no way interferes with our long-standing personal friendship, and I hope that will remain a mutual situation. However, the criticism merely indicates that the Canadian public has the right to criticize what it reads, and to read it or leave it. Let us read it or leave it, and not legislate any control over it to ram down the throats of Canadians.

This bill has a multitude of weaknesses, including its total unpopularity with many Canadian people—but it is an administrative carte blanche. I do not believe that in any instance we should give to any minister or pair of ministers the right to judge and to put themselves into the position of being both judge and executioner. This is not right. Putting all other criticisms of this legislation aside, the delegation of authority to the minister and the cabinet is, to me, an obnoxious factor in this bill because it is purely and simply a matter of judgment. It is not defined for either the Minister of Finance or the Secretary of State just what might be done with this legislation at any given time in the future. Those who might at some future time come under the influence of this legislation should bear in mind that they are at the whim, pleasure and total personal disposal of those who make personal judgments in the execution of their jobs as part of the government structure. It may be the minister or an understrapper of some kind, but this is not legislation which defines the position of any publication in Canada, *Time* and *Reader's Digest* included, despite any smoke-filled, backroom deal which may have been made.

It seems to me that there should be international representation on a worldwide basis employed by Canadian publications. If we are to pass this legislation, Canada is entitled to first-hand technical knowledge of Canadians located outside Canada. There is no indication whatsoever that any publication in Canada has the capacity to do this, and if there is the capacity to give us worldwide information perhaps it will have to be in co-operation with other publications from other lands to exchange items of interest in a way which people can find credible. I submit that until such time as a syndicated structure can be established for regional publications, and until such time as our national publications can find the opportunity, the way to co-operate with other national groups either inside or outside Canada to maintain a group of authors who will give Canada credible articles on the world at large, this legislation is totally premature.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is there unanimous consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. McCain: Mr. Speaker, I do not have a page in my hand which says "conclusion," as did the previous speaker, but I want to say, in closing, that those who are Canadian nationalists to the exclusion of all other aspects of our life have to recognize that Canada's writers and its publishing industry are not experts in every field. There is no such structure imposed in other countries, that is, those with the democratic structures we admire. There might be such a structure imposed in some of those countries we admire much less, but no such structure exists which insists on such rigid regulations regarding the printed word as there will be in Canada when this legislation is passed.

There is no country in the commonwealth of nations as we have known it which has imposed such rigid restrictions on the publishing privilege. Canada has two Canadians who have owned printing establishments on a worldwide basis, and they are examples of the freedom of the press and ownership which we will not extend to the rest of the world. We expect to put up a standard of our own, and probably will complain if comparable standards are imposed upon our Canadian owners of publications abroad. This certainly is a one-way street down which certain nationalists are leading us without consideration for the welfare of Canadians as readers, Canadians as publishers or Canadians as writers. We have failed to recognize what was needed and have exported good writers because we failed to give these writers a chance to make a living in Canada. We are now trying to kick out those who are

running the service, and the Canadian authors who are critical have not prepared themselves to fill the gap.

● (1420)

Mr. John Roberts (St. Paul's): Mr. Speaker, I welcome the opportunity to take part in the debate on the motion moved by the hon. member for Ontario (Mr. Cafik) and the amendment by my friend the hon. member for Vancouver-Kingsway (Mrs. Holt). I should like to associate myself with the remarks of the hon. member for Ontario—at least the first paragraph or so—in which he compliments the Minister of National Revenue (Mr. Cullen) and the Secretary of State (Mr. Faulkner), describing them as men of honour and conviction who are genuinely trying to do something for the publishing industry. Like him, I have a very great and high regard for them both. They have been subjected to a long and trying debate and to a considerable degree of abuse which must be difficult to accept—allusions to national socialism, führers and dictators. These two gentlemen, with their background and reputation of concern for civil rights, must find that kind of comment very difficult to take.

Mr. Baldwin: Dig in your heart; you know it is right.

Mr. Roberts: Digging in my heart, I say to them that I respect their obstinacy, their determination, their decision to proceed and persevere with this legislation. There are those on the other side, and even some on this side, who do not support them, but the vast majority of members on this side of the House do.

I wish to direct my remarks to the amendment presented by the hon. member for Ontario which would have the effect of allowing 40 per cent of non-original material to be presented in periodicals in this country. I think the hon. member shares, as does the hon. member for Scarborough West (Mr. Martin), the general fundamental purpose of the legislation which is quite simply trying to ensure that advertising revenues in the Canadian market be used for the support of a Canadian periodicals industry. I think most hon. members agree with that objective.

Mr. Fairweather: Right.

Mr. Roberts: The hon. member for Fundy-Royal (Mr. Fairweather) has a distinguished record of supporting the objectives of ensuring that kind of protection for the Canadian periodicals system. Where the hon. member for Ontario might disagree is with the effectiveness of the legislation to reach those objectives. The first question the hon. member raises is why such legislation or regulations are necessary to achieve the objectives. It springs from the context of economic activity on this continent which supports the periodicals industry.

The House recognized this in 1965 when it brought in legislation to correct what otherwise would have been a difficult or impossible situation. If you are producing magazine material for a market of 200 million or 220 million people in North America, as is the case for most publications within the United States, then the cost per article is relatively low because you can write off the cost more widely than what it would be for purchasing the same kind of material of the same standard for a market in Canada of 22 million people. It is a very simple argument.

[Mr. McCain.]

The cost of material of the same quality on a pro rata basis in the United States is much lower than it could possibly be for publications which operate in Canada.

In that sense, it is very easy to place in Canada foreign material at very low cost to the magazine that wants to use it in Canada, because the cost of producing that material has already been met in a much larger market. In effect, the material could be easily dumped, if there were no regulations or legislation to oppose it, from the United States market into the Canadian market. Revenue to the originator for that material would be gravy, not necessary to cover the cost of the material in the first place.

It is for that reason in 1965 we had a situation of unfair competition. Magazines coming into Canada at a lower cost base could compete effectively against Canadian magazines. The life of the Canadian magazine industry was threatened with this kind of competition. It was going to be impossible for them to survive. One of the witnesses who appeared before the committee in reference to this subject put it very well. He said if you were manufacturing automobiles and had to do that lock, stock and barrel, and there was a competitor down the street who was importing engines which he did not have to pay for, obviously he would be in a superior competitive position. You would not stay in business very long if you had to cover the whole cost of production while the competitor covered only half or a portion of it. The example is quite a good parallel with the magazine industry.

It was for these reasons that changes were made in 1965 to try to ensure that Canadian periodicals had a chance of surviving. That change said to Canadian advertisers, "If you wish to deduct the cost of advertising, it must take place in magazines whose material originates in Canada". There were two major exceptions, *Time* and *Reader's Digest*, who were able to have the advantage both of low costs—because they were producing for the North American market—and an advantage in competing against American competitors such as *Newsweek* because they promised their advertisers a tax deduction which *Newsweek* and other foreign magazines could not offer.

What we are doing in this legislation is removing that anomaly. It is not a question of censorship, but simply saying "Compete on the same terms as other Canadian magazines or the same terms as non-Canadian magazines. Don't expect the advantages of both. Choose the same footing either of one or the other." It removes the special and advantageous position which those magazines have had.

The hon. member for Ontario says that in practice what we are doing is insisting that 80 per cent of the material originate in Canada, so why not make it 60 per cent? In other words, it is not a question of principle. He is arguing it is all right to be 60 per cent pregnant, but 80 per cent pregnant is not all right. He says he believes 60 per cent would be sufficient to encourage the Canadian periodicals industry. The hon. member for Scarborough West made the same argument. He looked at the percentage of total advertising revenues paid to *Time* and *Reader's Digest* and said it was small. It would have been more accurate if he had brought to the House the figures for the periodicals industry. He would have seen that the amount *Time* and *Reader's Digest* siphoned off was very significant.

If we accepted the amendment proposed by the hon. member for Ontario, I suggest we would create not only a situation in which *Time* and *Reader's Digest* would be able to bring in 40 per cent of material originating outside the country, but that virtually every Canadian periodical would ultimately be required to depend more and more heavily on material generated outside this country. That is the major difficulty with the proposal. This difficulty has not been dealt with by hon. members opposite, as far as I can recall, nor has it been greatly stressed by members on this side.

What the amendment would do is set a context which would assure that in order to be able to compete effectively in cost terms, almost every Canadian periodical would have to face a split-run type of situation. If your competitors are able to bring in 40 per cent of their material at high quality and low cost, no Canadian periodical is going to be encouraged to do any better than that, because in doing better than that he will put himself in a difficult cost position in comparison to his competitor.

The suggestion which the hon. member for Ontario is making would not only not assist the production of more Canadian material in the Canadian periodicals industry but it would in fact have the reverse effect. It would lead to less and less Canadian material being produced because it would be cheaper to import it from sources outside the country.

● (1430)

Some members may suggest there is nothing to worry about in that; that we should open the market and let whoever can compete, compete with whatever advantages he has. Some members say that we should let all compete on whatever basis they like in the periodicals industry, communications and in allied areas. I point out that we have decided in other fields that such a course of action would be strongly inimical to the interests of this country.

No doubt it would be cheaper to do away with the Canadian Broadcasting Corporation and the Canadian television system and let ABC, NBC and CBS instal stations in every Canadian city. That would cost less. The stations would still carry local news after the national news, no doubt—the American national news. But we have said that we do not feel this approach would be appropriate. The reason is that we wish to assure, in Canada, access to Canadian material for those who wish to see it. For that reason, we support our broadcasting system and impose content requirements on that broadcasting system in order to ensure that those who wish to see or hear Canadian news, who wish to see the world with the Canadian viewpoint, will be able to do so.

Those listening to this debate might be pardoned for concluding that if this legislation is allowed to pass, Canadians will be unable to receive material describing what is happening outside the country. I suggest that access to U.S. publications is not threatened in our country, what is threatened is the Canadian ability to receive Canadian material and a view of the world through Canadian eyes. That is the danger—not that there will be any shortage of material explaining to us what is happening in other countries, particularly in the United States.

Non-Canadian Publications

The problem with the amendment of the hon. member for Ontario is this: it will lay down a rule which will have to be followed not only by the publications he is concerned about but by every other publication in Canada. It will ensure that more high quality, but cheaper material comes from outside the country. It will set a standard which all magazines will have to meet within the competitive context of that industry. I suggest that on those grounds the amendment ought to be rejected.

I respect the hon. member for Ontario and the hon. member for Scarborough West. Their concerns expressed in this House have been with the practical consequences of this legislation.

An hon. Member: What about the hon. member for Vancouver-Kingsway (Mrs. Holt)?

Mr. Roberts: They wonder if it achieves the objectives to which most of us subscribe. I feel that if they and other hon. members will take the time to read the extensive committee hearings, they will see, without doubt, that this legislation will have a significant, favourable impact on the revenues of the Canadian periodical industry and television industry. I commend a reading of the long discussion in committee to those two hon. members.

I turn now to the question of censorship which, as I have said before, is not a red herring but a red whale dragged across centre stage of this debate. Yesterday the hon. member for Vancouver-Kingsway quoted at length from a brief presented under a letterhead with the signatures of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the former premier of British Columbia and Mrs. Brown.

Mr. Knowles (Winnipeg North Centre): It was not with their signatures.

Mr. Roberts: It was under their signatures as patrons of the organization. I was going to suggest to my hon. friend that there are other reasons for rejecting the letter's arguments than its official patterns. However, that is by the way. The letter raised two basic arguments, in reply to an earlier statement made by the Secretary of State (Mr. Faulkner), asking what was the objection to depriving *Time* and *Reader's Digest* of tax deductibility for their advertisers. I quote what the hon. member for Vancouver-Kingsway read, as printed on page 10692 of *Hansard*:

> The short answer is that the tax deductibility of an expense incurred for the purpose of earning income (e.g. advertising costs) is the normal rule.

This, clearly, has not been the normal rule since 1965 in this country as applied to magazines which are not Canadian. Magazines like *Newsweek*, *U.S. News*, *World Report*, *The Economist*, *Playboy*, *Cosmopolitan*—take what you will—aside from *Time* and *Reader's Digest* are magazines which have not been able to claim that tax deductibility. The normal rule is not what he has described in this letter as quoted by the hon. member for Vancouver-Kingsway. The second argument she made, an argument echoed on many sides of the House, is that we are giving the Minister of National Revenue power of extraordinary censorship, power to impose arbitrary decisions. The document the hon. member for Vancouver-Kingsway quoted says, as reported on the same page of *Hansard*:

We do not know what aspect of content a future government, still disclaiming (as you do) any intention to censor, might see fit to consider in imposing taxation. A still more nationalistic administration might decide to define only writings about Canada as "domestic" for taxation purposes. A paternalistic government might decide that creation of jobs for Canadian writers was so high a priority that only Canadian Citizens' work would rank as domestic—

In a sense, it is true that future governments might decide to do this. Parliament is supreme, and if the government has a majority it can get its legislation through and make it effective. But it cannot be done under this legislation nor under these regulations. The "substantially not the same" clause is in the legislation. It is capable of being interpreted by the courts. The courts can apply their interpretation. Such interpretation, it seems to me, could not be applied to the kinds of things described in this paragraph. If any future government wanted to do those things, it would have to come back to this House and obtain authority for so doing. It could not be done under the regulatory powers held by the Minister of National Revenue.

It has been argued that the "substantially not the same" provision is a censorship provision. I suggest that there is a strong difference between a provision which requires a certain amount of material of a certain kind and one which excludes or forbids certain material. The difference is very considerable. If, for instance, there were a private club in Ottawa which said that no woman is eligible for membership, we would look on that as discrimination. If, on the other hand, the club's regulations required 25 per cent of its members to be women, I doubt if one would say that this discriminates against men. The same can be said about political parties. The Liberal party—and, for all I know, the Conservative party—is governed by clauses which ensure that a certain proportion of delegates to a convention are women. I have never heard any Liberal, or anyone else, describe that as censorship or discrimination against men entering the party.

Mrs. Appolloni: It is only discrimination against women.

Mr. Roberts: When I attended university, the Anglicans constructed a chapel. However, the university insisted that not only Anglicans should use it but that a certain proportion of time should be set aside for those of the Jewish faith, for those of the Protestant faith—

An hon. Member: And for Catholics.

Mr. Roberts: —and for those of the Catholic faith. That was a content regulation, if you like. Not one of these groups complained about being censored, persecuted or discriminated against because they were kept out for a certain proportion of the time when members of another faith occupied the chapel. Nor have I ever heard it said that a law to protect an endangered species—and I think Canadian magazines expressing Canadian views are an endangered species—is discriminatory or constitutes a persecution of species which are not in danger.

This legislation, and the regulations under it, will not prevent any article being written or any point of view being expressed so long as the editor of the magazine wishes to have that view expressed. It does not forbid the expression of points of view, but does require that 80 per cent of the material should originate in Canada or be for a Canadian publication. That is all it says. We have the same kind of regulations governing television content in this country. I have not heard, during the past ten years, members of the opposition claim that those are censorship provisions. I have not heard people in the broadcasting industry argue that they are being censored.

We are proposing to apply the same regulations to *Time* and *Reader's Digest* which apply now to magazines like *Chatelaine, Maclean's, Saturday Night*, and so on. I have not heard anyone seriously suggest that we are now censoring *Chatelaine, Saturday Night*, and so on. The same regulations are applied now to *U.S. News, Foreign Report, Newsweek*, and so on. It would be ridiculous to say that these magazines consider that they are being censored. Nor does this legislation prevent or preclude the entry of any foreign magazine into Canada.

• (1440)

The question of censorship has been raised not only in relation to what I believe is a completely false equation of censorship to the establishment of content requirements for Canadian magazines to qualify for tax benefits. It has also risen in a personal context with suggestions coming from various sides of the House that somehow a personal censorship has been exercised against the hon. member for Vancouver-Kingsway. I gather that she, herself, supports the argument that somehow she has been unfairly treated in being removed from the parliamentary committee which considered the matter.

The fact is that she was never a member of the original committee. She was never taken off the committee, because she was never on it. She asked to be on it. She felt that her distinguished characteristics of 30 years in journalism—characteristics which led to a character that we all, certainly on this side, respect and admire—should entitle her to a place on the committee. It is understandable that she should feel that way.

There were many members on this side who, for a variety of reasons, had for many years occupied themselves with this kind of question. They equally felt they had a place on that committee. It is not surprising that the members of the committee should be those that the government and Liberal members felt were most likely to express the case held by the vast majority of members on this side of the House.

Mr. Deputy Speaker: Order, please. I regret that I have to interrupt the hon. member, but the time allotted to him has expired. He can only continue with consent. Is there consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mrs. Holt: Mr. Speaker, I rise on a point of order. The issue of my participation on that committee has been discussed and published over and over for several months. Now it has been raised in the House. The hon. member knows exactly what happened because he shared in that committee very carefully.

Some hon. Members: Hear, hear!

Mrs. Holt: When I applied to go on that committee, the whip himself agreed to my going on there. I flew all the way from Vancouver on the midnight flight to be there on

time. I attended every committee meeting. The facts being raised now are not true.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please.

Mr. Baldwin: Mr. Speaker, I rise on the point of order.

Mr. Deputy Speaker: Order, please. I should say that this is hardly a point of order. The remarks of the hon. member for Vancouver-Kingsway (Mrs. Holt) indicate that this is pursuant to a debate on the matter. Hon. members may have different points of view. However, the hon. member for Vancouver-Kingsway had the opportunity to raise this question the other day. Every time a member refers to the membership of a committee, I do not think it allows the hon. member for Vancouver-Kingsway to raise points of order that are not really points of order. She might have opinions but they are not points of order.

Mr. Baldwin: Mr. Speaker, the hon. member for Vancouver-Kingsway (Mrs. Holt) said she was rising on a point of order. I submit that what she was attempting to do was to raise a question of privilege. This is a matter of the privileges of this House. I make this suggestion in all humility and in a spirit of non-partisanship.

Some hon. Members: Oh, oh!

Mr. Baldwin: I am quite serious. The right of every member of this House has been challenged. I suggest that we work out the terms of an order of reference by which the House might refer the matter to the Standing Committee on Privileges and Elections.

Mr. McGrath: Mr. Speaker, I rise on the same point of order. There is a well known practice in this House that when a member stands in his place he is standing on his reputation and the House has to accept the word of that hon. member. The hon. member for Vancouver-Kingsway (Mrs. Holt) stood in her place in the House and said she was present at the committee. She said, quite unequivocally, that she tried to get on that committee and did not succeed. I suggest that the hon. member for St. Paul's (Mr. Roberts) has to accept the hon. member at her word.

Mr. Fairweather: Mr. Speaker, I rise on the point of order.

Mr. Faulkner: Tell us about Jack Horner and the Hutterites.

Mr. Paproski: What's a Hutterite?

Mr. Deputy Speaker: Order, please. The hon. member for Fundy-Royal (Mr. Fairweather) is rising on a point of order.

Mr. Fairweather: Mr. Speaker, the chancellor's foot is rather short today. The matter of Hutterites and the hon. member for Crowfoot (Mr. Horner) surely has no relevancy.

Mr. Faulkner: It is just a little embarrassing.

Mr. Paproski: I don't know what they are talking about.

Mr. Deputy Speaker: Order.

Mr. Fairweather: I have all afternoon. Obviously, the government is not very anxious about this bill any more. I will wait until I get the courtesy of silence.

Some hon. Members: Hear, hear!

Mr. Fairweather: Mr. Speaker, I was on the committee and tried to be responsible for my party's view of Bill C-58. The point that the hon. member for Vancouver-Kingsway (Mrs. Holt) and the one for which I want to defend her privilege is that, despite her request, there were constant changes in the membership of that committee during the hearings. At no time did the whip, or whoever organizes this for the government, give this hon. lady the privilege that she was invited. I do not particularly share most of the views she has about this legislation, but I do find that the way in which the government treated this hon. member is most reprehensible. I merely wonder why the hon. member for St. Paul's (Mr. Roberts), a person of high intelligence, should spend his time trying to defend such conduct.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I admit that I sympathize with the views of the hon. member for Vancouver-Kingsway as much as I sympathize with the different views of other hon. members. However, everything that has been said only convinces me more that this is not the right place or the right time to raise this matter. It should be raised at another time, through other means. I invite hon. members to allow the hon. member for St. Paul's (Mr. Roberts) to complete his remarks on extended time.

Mr. Roberts: Mr. Speaker, I thank hon. members for giving me a little rest to revive my spirits. I was simply pointing out that which the hon. member has confirmed. Her complaint was that she was not placed on the committee, not that she was removed from it. I suggest that she has been heard ad infinitum in caucus and in committee. She came to the committee. She was given the rights that hon. members have when they come to a committee but are not members of it. She was allowed to speak out and present her views. She spoke in the House. She spoke to the press. Her problem is not that she has been gagged. Her problem is that she has not been able to convince her colleagues. That is the essence of the matter.

Mr. Deputy Speaker: Order, please. I would hope that the hon. member will come back to the subject matter. What he is now saying is not relevant to this debate.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hon. member should come back to the motion before the House at this time.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. I was referred to by the hon. member for Fundy-Royal (Mr. Fairweather). He admitted that he did not know how members were appointed to a particular committee. I would like to place on record that at no time was the hon. lady muzzled. She can speak as much as any member of that committee. I never removed her from the committee.

Mr. McGrath: Mr. Speaker, I rise on the same point of order. The government whip, inadvertently I am sure, has misled the House. The fact is the hon. member for Vancouver-Kingsway was not only kept off that committee but she was denied her right as a member of parliament to contribute to the committee.

Some hon. Members: Hear, hear!

Mr. McGrath: The only opportunity that the hon. member for Vancouver-Kingsway had to speak during the proceedings of that committee was when I, as a member, moved that she be heard. The government members abstained on that vote.

Some hon. Members: Hear, hear!

● (1450)

Mr. Roberts: Perhaps, Mr. Speaker, it would be better to proceed with the argument. Of course the committee worked under restraints. It worked under a time restraint to which all parties agreed. The discussions necessarily took place within that framework. The hon. member loves to feel persecuted. I would simply say there is no reason to impute motives of persecution when all that has happened is that there has been a disagreement of view. The member for Vancouver-Kingsway may march to a different drummer; she should not expect her colleagues to fall all over themselves to dance to her particular tune. I want to pass on briefly to the argument that somehow in the past few days there has been an extraordinary collapse and change of view on the government's part in relation to *Reader's Digest*. It was quite clear, I believe, to most of us who sat on the committee that if *Reader's Digest* were prepared to meet the ownership requirements, it could very easily meet the 80 per cent content requirement rule. In fact, it was established before the committee that so long as an article appeared first in the Canadian *Reader's Digest*, even if it subsequently or almost immediately were to appear in the international edition, it would be classified as material meeting the 80 per cent requirement. This is because the purpose of the requirement was to encourage the generation of material within Canada, and that, in effect, is what is happening under the clarification—not, I would argue, a great change, but a clarification—which was described by the Minister of National Revenue.

There has been no collapse, no great change in government policy. What happened was that *Reader's Digest* agreed to meet the requirements, which came as no surprise to many of those who sat on the committee. The interpretation provided by the Minister of National Revenue is this: if there is an article in the possession of the *Reader's Digest* pool, then provided that the rewriting and condensation of it is done by Canadians in Canada, that will be considered as part of the 80 per cent content. This, I would think, was generally clear from the beginning; material which was rewritten, condensed or originated for the Canadian edition would be classified under the 80 per cent substantially different rule.

The criticism that the clarification of the ruling in relation to *Reader's Digest* indicates the arbitrariness of the legislation and the regulations seems to me to be completely fallacious. If the minister had come to the House and said only that he was presenting legislation which required that a periodical be substantially not the same if it was to qualify for that tax advantage, members opposite would have said, "What is 'substantially not the same'"? Why do you not tell us exactly what you mean? What is this pig in the poke you are asking us to buy?" In response to that kind of questioning from the magazines affected and from members of the opposition, the government has indicated what, in its view, the phrase "substantially not the same" means. That is all that has been done. So as not to fudge the issue, so as to be frank with members of the House, the government has said what, in its view, those words mean.

Of course, the opportunity to deal with the courts still exists. Hon. members ask; "What if the court disagrees with your interpretation? Does that mean you abandon the policy? Do you abandon the techniques? Do you abandon the objective?" The government has simply said, "No. Under those circumstances we shall come back with proposed legislation for what we believe is required and what we say now to the House is required." There is no arbitrariness in that position. There is no possibility of changing "substantially not the same" without coming back to the House and seeking approval. The government has been asked to say clearly what the requirements are and what they mean in practical terms. It would have been denying its responsibility if it had simply said, "Those are the words we intend to use. We do not know how they will be interpreted. We have no view as to what their effect will be."

Mr. Baldwin: Would the hon. member permit a question? He has raised an interesting point. I have been concerned about it, too, and I raised it earlier. If I ask a question it might save my making a speech later. Under section 19(5) of the original act, as the hon. member knows, it is provided that a Canadian issue does not include an issue of a periodical the contents of which are substantially the same as the contents of an issue of a periodical. The regulatory granting section, section 221, says that the governor in council may, among other things, make regulations prescribing the evidence required to establish facts relevant to assessments under the act, and, finally, may make regulations generally to carry out the purposes and provisions of the act.

What I want to know, and the hon. member may be able to tell me, is this: as the matter now stands, assuming the bill passes in its present form without any of the amendments being accepted, will that decision be made by a civil servant in the office of the Minister of National Revenue, or will the government pass regulations under the regulatory granting powers in section 221 to prescribe specifically what is the meaning of the words "substantially the same as the contents of an issue of the periodical"? That is the point I should like the hon. member to clarify.

Mr. Roberts: I welcome the question asked by the learned gentleman who is, as we know, a distinguished lawyer. Fortunately, I am not. Some consideration was given to this question in the committee. I hope I shall not mislead the hon. member when I say that the decision, in the first instance, is one taken by tax officials though ultimately determination will be made by members of the government. Perhaps that is what will happen in this case. Considerable material was presented to the committee in an effort to clarify the legal situation. There was a dispute

about it. But there was certainly a great deal of material indicating that 75 per cent or 80 per cent would probably be, or could be, on the basis of various cases, particularly in the United States, the criterion for deciding that kind of question. No doubt it was a disputed issue, but there was legal precedent for that kind of criterion.

My point is this. While it would be possible, under the "substantially not the same" clause, for varying interpretations to be made, there is a provision for appeal to the courts respecting that interpretation. Cases will ultimately be decided by the courts; the courts will ultimately determine what that means. What seems to arouse hon. gentlemen opposite is that we have gone further and said that if the courts decide that the 80 per cent is not what "substantially the same" means, then the government would go back to the Commons and ask for the approval of the House of criteria which they believe are necessary to deal with the situation. I do not call that arbitrary or irresponsible. We are saying that the courts and parliament will ultimately decide what is to be done in connection with this matter. As I say, there is nothing arbitrary about it. Ministers reach their decisions within the context of this phrase, whose meaning, ultimately, it is up to the courts to determine. Then Parliament will be asked to change the law. That is hardly shocking. It is for this reason, I suggest, that arguments about arbitrariness and arguments about censorship are not germane to the issue before us. The issue before us is the practicality of the legislation for achieving an objective which most of us in this House share—the encouragement, through advertising revenues, of the Canadian periodical industry.

There are those who disagree that the legislation will have that effect. I would refer them most earnestly to the long and diligent committee consideration which took place on the matter. I believe that if they do this fairly they will find convincing evidence that there will be a significant impact on advertising revenues as a result of this bill, and that changes will be brought about favourable to the industry in Canada. I beg hon. members not to be distracted by false accusations of arbitrariness and censorship which are not germane to the issue. I urge hon. members to give as speedy a passage to the legislation as possible.

● (1500)

Mr. Deputy Speaker: Order. The Minister of National Revenue (Mr. Cullen) is rising on a point of order.

Mr. Cullen: If I may be permitted, Mr. Speaker, in response to the question raised by the hon. member for Peace River (Mr. Baldwin). The section he quoted in the regulations, section 221, provides that:

The Governor in Council may make regulations (a) prescribing anything that, by this Act, is to be prescribed or is to be determined or regulated by regulation;

Section 19 does not give that authority.

Mr. Baldwin: This is one of the problems—

Mr. Deputy Speaker: Order, please. That is not a point of order. Perhaps we can do this by unanimous consent, which might simplify the matter.

Non-Canadian Publications

Mr. Baldwin: I would ask for unanimous consent, Mr. Speaker.

Mr. Deputy Speaker: Is there unanimous consent to allow the minister to clarify a point of interest?

Some hon. Members: Agreed.

Mr. Baldwin: Mr. Speaker, question and answer was the old system that we used in committee of the whole and it had very considerable values. The minister has raised a point that is directly at issue and concerns those who serve on the statutory instruments committee. Because of some arbitrary and capricious decisions that were arrived at by the Privy Council Office and other ministers, an artificial definition has been placed on the regulations which places many of them outside our scope. The minister has put his finger right on it.

I would suggest that section 221 does provide that there may be the opportunity, by regulation, to carry out the purposes of the act. I think that has been interpreted in the past in a wide enough way to permit the government, if it sees fit, in accordance with section 221(j), to deal with this issue and lay down regulations as to what in its opinion constitutes a publication or the issue of a periodical which is not "substantially the same as" that published elsewhere. Then everybody will know what is involved.

What we are going to find is that an official will make a decision today, and next year a different official or deputy minister charged with that responsibility might make a completely different decision. As my hon. friend for St. Paul's has suggested, it is the lack of knowledge of certainty that I think is so important here. It is not good enough to say that the official makes the decision and if it is not liked appeal can be made to the courts. I do not think that makes sense at all. I think the minister sees what I am driving at, that it is possible to regulate under section 221 if they wish to do so.

Mr. Cullen: Well, Mr. Speaker, I guess it has often been said that if you have two lawyers you will get four opinions. We seem to agree and disagree on this question. I know the point the hon. member is making, but as a minister endeavouring to interpret the law I have to accept the advice that is given me by the law officers of the Crown. This is the interpretation that has been given, and I did try to clarify it for the hon. member.

I know the interest of the statutory instruments committee. The hon. member feels it should be more specific and that there should be more control. That is another debate. With respect, I must accept the interpretation given me by the law officers of the Crown.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I want first of all to commend the hon. member for St. Paul's (Mr. Roberts) for his intervention and for bringing some very cogent arguments to the debate. After sitting through last night's session and hearing the interventions of the hon. member for Vancouver-Kingsway (Mrs. Holt), the hon. member for Ontario (Mr. Cafik), and the hon. member for Provencher (Mr. Epp), I thought for a moment that I was in the United States Congress listening to the arguments of the lobbyists for *Time* and *Reader's Digest*. It was a most incredible evening.

I have been asked many times why we in the New Democratic Party support this bill. As has been stated, it is an attempt to give some kind of consideration to the Canadian periodical industry and to remove an anomaly whereby in 1965 *Time* and *Reader's Digest*, although by all degrees of understanding foreign magazines, were classified under the Imcome Tax Act as Canadian magazines, so that their advertisers could receive the same deductibility provisions as Canadian advertisers in Canadian magazines. The amendment of the hon. member for Ontario which is before us, as amended by the hon. member for Vancouver-Kingsway, subverts the whole intent of this legislation.

When we try to decide what is a Canadian magazine, thereby entitling it to the benefit of the provisions of the Income Tax Act so far as advertisers are concerned, four criteria were outlined by the Minister of National Revenue (Mr. Cullen) in testimony before the committee. Two key criteria which I do not think have had enough elaboration in this debate are the licensing and the "substantially different" requirements.

The amendment of the hon. member for Ontario seeks to reduce the amount of material in any given magazine that must be "substantially different" from 80 per cent to 60 per cent. As we have heard in the committee, this would mean continuing an advantage to American magazines whereby they could import the remaining 40 per cent material from the parent magazine, expensive material such as full colour lay-out material, and expensive research material, at a subsidized price. Therefore no Canadian magazine would be able to compete against that kind of advantage.

This has been the problem with the Canadian periodical industry to date. *Time* and *Reader's Digest* have been given tax privileges which were reserved for Canadian magazines, and at the same time they had the advantage that no Canadian magazine had of being able to obtain their content from their parent magazine at a subsidized rate. In effect we had editorial dumping in this country.

I am constantly amazed how members of the Conservative party and a few dissident Liberals can make the argument that a Canadian magazine should not have this kind of advantage, and at the same time argue that foreign magazines like *Time* and *Reader's Digest* should have that advantage, whereas they do not make the same argument for foreign industry in the manufacturing field. That seems to me to be totally inconsistent.

I think it important that the Minister of National Revenue rise in his place and clarify for the House what is going to happen to the licensing arrangement. There has been an assumption by hon. members and the media that since the Minister of National Revenue's announcement that he had reached an accommodation with *Reader's Digest* on a continuing arrangement, *Reader's Digest* would automatically continue to publish in Canada, and that everything had been solved.

I would point out that there are still a number of requirements to which *Reader's Digest* must conform. I should like the minister to state for the record that *Reader's Digest* will be required to change its existing licensing arrangement with the parent company in the United States in order to qualify as a truly Canadian magazine. For there exists now a licensing arrangement between *Reader's Digest* of Canada and *Reader's Digest* of the United States whereby *Reader's Digest* of Canada must, to quote the agreement, not distribute material which the parent disapproves of, or use material from any sources other than those approved by the U.S. parent company

If that licensing provision is allowed to stand, in no way can we conclude that *Reader's Digest* of Canada is a truly independent Canadian magazine and therefore able to fall within the provisions of section 19 of the Income Tax Act. The minister has assured me in private conversation that *Reader's Digest* is quite aware that it must change that licensing agreement in order to qualify as a Canadian magazine for income tax purposes. I should like him to state on the record that that is what must happen.

● (1510)

We also learned from the minister that he would allow a continuing arrangement to exist between *Reader's Digest* Canada and *Reader's Digest* United States that would not mean that the *Reader's Digest* edition in Canada would be considered the same as the parent company. The argument put forward by *Reader's Digest* was that it is the kind of operation that, in order to have access to articles from around the world which should be condensed, it had to have access to the pool of articles collected by *Reader's Digest* United States.

Therefore the minister made the interpretation saying that as long as *Reader's Digest* Canada edited, digested, and re-wrote its pool of *Reader's Digest* articles collected in the United States, that would not be looked at as a continuing arrangement that would violate the 80 per cent different interpretation.

My point is that it seems to me in a roundabout way there still is a degree of editorial control by the parent company which submerges the concept or at least the definition of a truly independent magazine. Let me explain. By virtue of the fact that *Reader's Digest* United States has pretty well sewn up the market for digest articles, that is to say it has made exclusive arrangements with most of the magazines in North America, if *Reader's Digest* Canada is to draw on that pool of articles it would seem to me already there has been an editorial decision made by virtue of the fact that the American editors have decided which articles will go into that pool from which the editors of *Reader's Digest* Canada can draw. So we have, in a sense then, the choice of material to be digested in Canada already being decided upon by American editors, and I think in a roundabout way that puts some constraint on *Reader's Digest* Canada to be truly independent in choosing the articles it wishes. This is something that must be considered.

Moreover, I fail to see how under that arrangement any new Canadian digest would be able to start up if there is that kind of licensing agreement with the parent company in the United States. I am not speaking of the Canadian *Reader's Digest*. If we wanted to have a new independent digest, would it be allowed access to this pool of material over which the *Reader's Digest* in the United States has control? I doubt that that would happen.

There is another point the minister should clarify. One of the requests that the Canadian periodical industry has made, and it is quite valid, relates to the fact that *Time* and

Reader's Digest have had an unfair competitive advantage because they have been able to get their material from their parent companies at a subsidized rate. For example, *Reader's Digest* can get its material at about 5 per cent of the actual cost of production from its parent company. If *Reader's Digest* is going to be allowed a continuing arrangement under this new interpretation by the minister we want to have the assurance that *Reader's Digest* Canada will pay the going rate for these articles which are taken from the pool in the United States, and that the subsidization will not be allowed to continue.

The minister should explain and clarify how the department will go about investigating whether *Reader's Digest* Canada, under the new interpretation, is paying the going rate that any other magazine would be paying for the right to digest an article from another magazine. If there is any doubt that the Department of Revenue will be able to scrutinize *Reader's Digest* closely when it purchases articles from this pool of the United States *Reader's Digest*, then I would have serious reservations about our ability to accept this interpretation.

I am also anxious that the minister clarify the position of *Time* magazine as it relates to this interpretation of the continuing arrangement, for the minister said in the House, as reported at page 10607 of *Hansard*:

> We are saying that "middle party access" used to obtain third party material will not be regarded as a continuing arrangement.

I asked the minister privately what is to prevent *Time* magazine from setting up a middle party in the form of a news collection agency, drawing material from correspondents throughout the world, with the material going into a news collection agency just as there is a pool from which *Reader's Digest* will pull material. From this news collection agency *Time* United States would draw material and *Time* Canada would also draw material. If *Time* is allowed to make that kind of arrangement, similar to *Reader's Digest*, then again we find a major loophole in the legislation that allows *Time* to make some kind of a continuing arrangement through setting up a third party or a news collection agency.

The question arises once again, would this material be at a subsidized rate and would *Time* have sole access to it? I do not think that would be the case because the correspondents may be in the employ of *Time* and, therefore, under the definition of licensing this would not be permitted. I think we need some clarification of that matter.

Also we need some clarification as to what position it puts *MD of Canada* in, because it is a similar kind of magazine to *Reader's Digest*. I would like to know if *MD of Canada* could set up some parallel licensing or continuing arrangement that would allow it to qualify under the regulations as *Reader's Digest* apparently has.

Those are the points that should be on the record for clarification, and I hope the Minister of Revenue rises at a later time to clarify them.

We have some difficulty with the fact that so much of this legislation is being done by regulation and at the whim of the Department of National Revenue. It would help matters immensely if this were all spelled out, or if the regulations were in the form of legislation so we do not have continuing variations in interpretations as ministers change, or as time goes on and magazine groups are able to lobby for some kind of change.

In retrospect it is very important that in trying to make accommodations for a magazine to become Canadian we do not subvert the intention of the legislation in the first place. I have no quarrel with *Reader's Digest* or *Time* magazine if they conform to the definition of what a Canadian periodical is, as all other Canadian periodicals do. I have no objection to them continuing in this country as long as they continue on the same footing as Canadian magazines.

What I do object to is the kind of legislation we have had for the past decade that has allowed *Time* and *Reader's Digest* to be treated as Canadian, although they are not, and therefore has allowed their advertisers income tax advantages reserved only for Canadians. The result has been that *Time* and *Reader's Digest* have gained the lion's share of advertising in this country to the detriment of the growth and expansion of the Canadian magazine industry. We heard much testimony to that effect before the committee, and we heard about fluttery flowers last night.

● (1520)

I would remind hon. members that when we look at the figures for the period 1950 to 1974 and when we look at the percentage increase in advertising revenue, we find that for the whole of the Canadian industry in those 24 years their advertising revenue increased by 185 per cent but that the revenue for *Reader's Digest*, an American subsidiary, increased by 413 per cent while that of *Time* magazine increased by 819 per cent. Those two magazines have had ten years of operation under tax advantages reserved only for Canadians and have captured over 50 per cent of the advertising revenue in this country. They are immensely rich. They have profited immensely by this legislation.

In the intervening period, however, we have seen Canadian magazines existing on a hand-out basis. We have seen some of them go under, and some almost go under such as *Saturday Night*. I am not speaking particularly of *Maclean's* magazine. I would like to see more competition by Canadian magazines against *Maclean's*. We have heard from many independent journalists that they are on a desperate course and that any advertising revenue which may be diverted their way by virtue of the requirement that *Time* and *Reader's Digest* either conform or lose their independence would be governed by their continued growth or collapse.

I think we must keep these points in perspective. This bill has nothing to do with censorship or who will be allowed to publish, but rather who will be assisted in publishing in this country. Therefore I argue very strenuously against the amendment put forward by the hon. member for Ontario and the sub-amendment of the hon. member for Vancouver-Kingsway. They subvert the intent of the legislation and should not be supported. In the meantime I would ask the Minister of National Revenue to stand in his place and clarify the implications of the new arrangement with *Reader's Digest* so that we may debate this issue with some clarity in respect of the new status of that magazine.

Non-Canadian Publications

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I think we must all acknowledge that it is difficult to simplify the legislative process. The amending process, generally speaking, is even more complicated and even more difficult to sort out. The present amendments are no exception. That being so I see no reason to complicate further the matter as is now being done. This is one of the problems that confronts us in the present debate. I shall return to that in due course. The other, the further complication I mentioned, is the government's interpretation of its mandate. I shall now address myself to that.

This bill, and its rocky passage through the House illustrate as clearly as any procedure I can imagine the unusual attitude of the government toward the legislative process, toward the mandate secured at election time, toward the people of Canada, a certain proportion of whom elected members opposite to office, and finally towards the views, wishes, and desires expressed by that population.

Starting at the end of that list, I ask how does the government regard or take into account popular views and concerns? From my particular angle I feel obliged to say that the government feels free to ignore popular concerns, to ride roughshod over them, and to replace them with views which conform more closely to what the government considers the general public should want. That is the way this government governs.

What is its attitude toward the people of Canada? We have seen that already too often and in too many different forms. It regards the people of Canada as a necessary nuisance, necessary to put them in power but thence forward a nuisance, a nuisance with no real mind of its own, no critical faculties and no ability to determine what it wants. Why do I say this? I say this because these are very serious strictures. I believe them to be true. Why? Because of the evidence accumulated before me even on this one bill. It has been built up since the time I have been in this House. However, on this one bill alone there is ample evidence to substantiate my case.

Is there anyone on the government benches who can assure me that he has received one single letter from a reader of *Reader's Digest* saying, "Kick them out. They're no good. They're anti-Canadian". I would wager that no such letters exist in the files of any parliamentarian. But how many letters are there in my files and in the files of all members of this House, urging that *Reader's Digest* be left alone to provide the service it performs so well?

What does the government do? The government says in so many words: Now listen, you people out there, you elected us to do a job for you. Go back to your jobs and we will get on with ours which is to provide you with what we know is good for you, not necessarily what you want, but what we, the government, determine that you want. What the government is doing in adopting that attitude is recasting in group terms the definition enunciated by Edmund Burke on the role of elected representatives. Elected representatives by this transposed definition are put in place not to represent the constituents who elected them but rather to do their thinking for them. There are some, I suppose, who may believe this might be possible on a member by member basis, but who other than the government will allow that definition to be transferred to an association of members? This may be the view of members of the government but there are not many beyond their number who share it.

My criticism of the government in its approach to legislation in general and this legislation in particular will be developed elsewhere. I leave these comments as they are and turn to another aspect of the measure before us which causes me concern. This is the ability of ministers to interpret laws passed by this parliament. I might say there was an exchange between the minister and the house leader of my party which helped clarify the matter for me. During the lunch period I endeavoured to find where that authority was put forward. I am happy to note that the opposition House leader, with his much wider experience than mine, was able to find it whereas I did not. As he so rightly pointed out, it lies in section 221(j) of Part XV of the Income Tax Act, which of course is not being touched by the amendments that are being proposed.

We must ask ourselves why we are focusing our attention on *Reader's Digest* when we learn, through the press and elsewhere, that due to re-definition of a definition the full weight of this legislation will not fall on that publication? Why then should we worry? We have cause to worry, and I suggest *Reader's Digest* has cause to worry. My particular reason for concern in this area is that if the minister can sharpen a definition, as he has done by pronouncing the 80 per cent substantially different notion under the authority granted to him under 221(j), and then withdraw it, he can just as easily introduce a figure at a later date and suggest an even higher figure. That gap must be closed. I suggest to hon. members that the amendments proposed by the hon. member for Ontario (Mr. Cafik) and the hon. member for Vancouver-Kingsway (Mrs. Holt) do just that. They close that gap, and define and narrow the discretion of the minister, as it should be.

● (1530)

The important openings to those two amendments before us, motions Nos. 4 and 5—and I commend both hon. members for having proposed them—read as follows: "notwithstanding the provisions of this Act or Regulations." This is true in both cases. Therefore these amendments override any amendments, regulations, redefinitions, or redefinitions of definitions which might come about by order in council or through the exercise of ministerial discretion.

What do these amendments do? The first one is the more all-embracing. It defines Canadian periodicals in terms of ownership and content. The second one defines ownership and the control and conduct of editorial and publication functions. These are very important definitions. They narrow the scope of interpretation—which unfortunately has been broadened or let loose in so much legislation—and bring within the ambit of parliament the control of the law and the formation and structure of that law. In this House we have complained about the freedom with which governments can play with the law. We see a solution here.

With the statute of 1970-71, the amendments to the Income Tax Act, so much was involved that something slipped through. We found a gap here, and the hon. member for Ontario and the hon. member for Vancouver-Kingsway have closed it and allowed us to give expression—and I come back to the first part of what I had to

say—to the views which are passed on to us by way of correspondence and in discussions with our constituents.

I said earlier that surely there is not one hon. member in this House who has not been overwhelmingly deluged with letters, communications, telephone calls, and personal intercessions seeking for the maintenance of the status of at least *Reader's Digest*. There was less emphasis with regard to *Time*. Here we have a means of doing so because the formula provided in these two amendments is one with which *Reader's Digest* at least can comply.

The hon. member for Sault Ste Marie (Mr. Symes), who preceded me, mentioned the matter of two other important publications. *Time* may come under this category, and if it does that is all well and good. I do not think it can in its present form. However, *MD of Canada* is certainly a publication which deserves our attention, and I hope it can come within the prescribed limits of ownership, control, and conduct of the editing and publication functions as defined by the second amendment.

Therefore, along with a number of my colleagues I am delighted that these amendments have been proposed, and I can give them my unquestioned support because I feel that this House should do the legislating. Legislation should not be left to order in council, the whim of a minister or ministerial discretion. I have great regard and respect for the minister, but I think it is unfair to impose upon him, along with the many tasks he has confronting him from day to day, the duty of amplifying legislation parliament has passed indifferently or defectively. For that reason I welcome the amendments, and I will give them my support.

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise to join in this debate to discuss two points. I say to the government or anyone else that the question of 80 per cent content is a myth. It is undefinable and does not exist in the context the government claims in the legislation before us. When we think in terms of percentage, we must realize that we are using a mathematical concept. We are dealing with units or numbers.

It is possible to talk about percentage if we are talking about volume, length, weight, or anything for which we can use a unit of measurement. If we talk about miles, centimetres, kilograms, pounds or anything which is a unit of measurement, we can use the term 80 per cent, but I challenge hon. members opposite, and the minister specifically, to tell us the unit of measurement used with regard to censoring a foreign magazine.

In the committee when this question came up the deputy minister said that the unit of measurement would be one of length. We challenged him by asking if we took a piece of material which was 100 column inches long and reduced it to 20 inches, but it really had the same content material in it, would that be acceptable under the regulation of the government, and he responded, yes. However, the minister interjected and said no, it must be substantially different in content.

The hon. member for Sault Ste Marie (Mr. Symes) said that the government is not into a censorship program. I suggest that it is because if it is saying that the content must be substantially different and it cannot define the unit of measurement, it is a case of the government making the decision and being the judge. The fact of the matter is that this government does not know what the unit of measurement is. It is applying a mathematical concept to a value judgment, which is impossible.

● (1540)

If we are going to talk about a situation in which foreign publications or foreign material comes into this country to be printed and is subjected to a bureaucratic value judgment we must recognize, that as a subjective position, that does not have a unit of measurement. It cannot be measured in percentages—that can only be applied when we speak of weight, length, or volume. We cannot apply percentages to value judgments. Applying mathematical concepts to value judgments implies censorship because it means the government is the judge of what Canadian people will read.

I challenge the Secretary of State (Mr. Faulkner) to give this House some unit of measurement; otherwise the whole concept falls apart. Unless that is forthcoming the government can rule out 100 per cent, or 50 per cent, or whatever it wants. If bureaucracy likes the flavour of some foreign information it can allow it into the country. On the other hand, if bureaucrats do not like something they can censor it 100 per cent. Recognizing there is no unit of measurement is simply a subjective judgment and that means the government is all powerful. It means there is no debate. A group of people in the bureaucracy make a subjective judgment about a piece of writing, but unless they can produce some unwavering criteria to support their judgment then there is no formula.

The other matter I wanted to refer to is the phrase "substantially not the same as previously published material". That there is a fallacy in the legislation has already been admitted in committee. The reference to previously published material in fact means that writers from any other country can publish first in Canada and then in a foreign country. Any material written in another country becomes acceptable if it is first published in Canada, but if it is published in the other country and then comes to Canada it is not acceptable.

All that magazines such as *Reader's Digest* or *MD of Canada* have to do is change the order of publication by one month—publish first in Canada and then in the foreign country. "Substantially not the same as previously published material" simply means that you change the order of publishing to escape the regulation. That will not protect the Canadian publishing industry but simply creates a loophole to circumvent the law.

The percentage content is a myth, Madam Speaker. There is no unit of measurement. I hope the Secretary of State will define for us how the 80 per cent figure is arrived at. Unless there is a mathematical basis it becomes a subjective judgment of the government and that essentially means censorship.

Quite frankly I do not see any better evidence of the government's position on the "new society" and a greater degree of government intervention than this legislation which, with the words "80 per cent", grants the government power to restrict the entry of written matter that it does not like or allow material that is advantageous to it. I hope the minister will respond and clear up this matter

and the conflict that occurred between himself and his deputy minister in committee. How do we put a unit measurement on a value jugment? I hope the minister will accept the challenge.

Hon. Robert L. Stanfield (Leader of the Opposition): Madam Speaker, I would gladly have yielded the floor to the Minister of National Revenue (Mr. Cullen) whom I thought would perhaps want to give the House some factual information. I have no desire to stand in his way, but he is not in the House at the moment and there are some things I should like to say arising out of the subamendment and the amendment which have been proposed.

It has been emphasized by those supporting the bill that it has a very simple purpose, that is, to eliminate the special status enjoyed substantially by two magazines with large circulations and perhaps by some other specialist types of periodicals.

I want to say quite frankly that I do not favour the maintenance of special status for any periodical—or anybody else as far as that is concerned. That is not my problem with the bill. I have to say in all frankness that it is now apparent that the Minister of National Revenue and the government as a whole are not in fact eliminating special status; they are continuing to maintain a sort of special status for one of the periodicals.

The Secretary of State (Mr. Faulkner) is shaking his head but I do not think he can convince any fair-minded Canadian that things have not been arranged so that the special circumstances of *Reader's Digest* will enable it to continue to maintain tax deductible benefits for Canadian advertisers in that publication.

● (1550)

I think it is desirable to eliminate special status. I recognize the problem the Canadian periodicals face. The problem in Canada is not peculiar to publications or periodicals. If I were in a court of law—and were paid to do it—I could make a pretty good argument to the effect that manufacturers and others trying to do business here face the competition of factories which enjoy longer production runs because they serve bigger markets, and so on.

I presume that the minister would argue that publications, television, and so on, are in a special category, in view of their importance to our national and cultural life and that, consequently, their position is different from that of concerns engaged in ordinary lines of business. He would argue, no doubt, that the preservation of their economic health and the encouragement of their development are important for the cultural life of the country. I accept that. But the question I keep asking myself is: does this bill achieve that purpose at all, and achieve it in a satisfactory way? It will not achieve it by making available to other publications advertising which has been monopolized, shall we say, or dominated by *Time* and *Reader's Digest*.

I think *Reader's Digest* is the biggest factor in the field and, under the new interpretation handed down from on high, *Reader's Digest* will be able to continue publishing in this country. I am not suggesting that *Reader's Digest* should be pushed out of Canada; I do not mean that. I merely say that the bill will not achieve its purpose, as it now is interpreted. In other words, it will not release all

that advertising for other Canadian publications. That is not my principal objection to what the government is doing.

I am not objecting because the government's bill will be only partially successful under the present interpretation, will only succeed in pushing *Time* out and releasing only part of the advertising which *Time* and *Reader's Digest* have been getting. My real objection, in other words, is not that the government's aim will be only partially achieved; my objection is to the whole way in which the government is proceeding.

I hope the Secretary of State will not take offence if I say to him, as I said earlier in the week, that the government's general procedure is fundamentally dishonest, fundamentally at odds with what I consider as liberal democratic procedure.

Earlier in the week I asked the Secretary of State if he could honestly say that "substantially the same" means the same as "80 per cent the same". I do not know how anyone can argue that such expressions come within the normal use of the English language. How can anyone argue that the interpretation given those words approaches their normal meaning? The interpretation is a complete distortion of the three words "substantially the same". How can one say something must be 20 per cent the same, or 80 per cent different? In other words, the government is changing the statute.

Parliament previously adopted a statute which said that something must be "substantially the same." The government is changing that statute, by executive decree. It is not asking parliament to change the law. The government itself is changing the law. The Secretary of State can argue that that is not the point, that the only thing before the House is the elimination of special status. But what can one say about the meaning the government has given to the phrase "substantially the same?" It has changed the statute by executive decree, a decree which has become part of the *res gestae*. That action has become an integral, basic, and essential part of the question we are considering. I cannot accept as a member of parliament, and could not accept if I were not in parliament, the idea that members of the government can, under our constitution, arbitrarily change the meaning of a statute passed by parliament.

An hon. Member: That is what it is all about.

Mr. Stanfield: That is one thing this is all about. To me, that is abhorrent. To me, that is a violation of everything I understand about responsible parliamentary government. The government's attempt to change the law by decree, and not by act of parliament, violates the Canadian constitution as I understand it. With all due respect to the Secretary of State, I assert, as would anyone of a reasonably independent point of view such as mine, that no one can honestly say that "substantially the same" means that something is substantially the same if it is 20 per cent different. Or, how can anybody say that something 20 per cent the same is substantially the same as something 80 per cent different? How can anybody say, for example, that something that is 74 per cent different is "substantially the same?" How can anybody do that without doing violence

to the ordinary meaning of English words? It cannot be done and I do not think it is fair.

With the permission of the House may I call it four o'clock and seek permission to enlighten members of the government further on another occasion?

Mr. Guay (St. Boniface): We are enlightened. Enlighten yourself.

[*Translation*]

The Acting Speaker (Mrs. Morin): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, private bills and notices of motions.

[*English*]

Mr. Blais: Madam Speaker, I rise on a point of order. After the usual consultations it has been determined that motion No. 6, standing in the name of the hon. member for Lotbinière (Mr. Fortin) and printed on page 54 of the Order Paper for Monday, February 2, 1976, is to be disposed of today.

The Acting Speaker (Mrs. Morin): Do hon. members agree that all motions prior to motion No. 6 shall stand?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

CROWN CORPORATIONS ACT

SUGGESTED INQUIRY TO STUDY ACTIVITIES OF AND LEGISLATION RESPECTING CROWN CORPORATIONS

The House resumed from Monday, November 4, 1974, consideration of the motion of Mr. Fortin:

That, in the opinion of this House, a special committee of inquiry on Crown corporations exercising financial, commercial or industrial activities be established to study the various Acts establishing such Crown corporations, the Crown Corporations Act, sections 76 to 88 of the Financial Administration Act, and all other laws concerning Crown corporations and to recommend to the House the adoption of a law regarding federal public enterprises; the committee should also study the following subjects without restriction (*a*) the legal rules pertaining to the employees of such corporations (*b*) their financial structure (*c*) the way in which they are financed (*d*) government control over said corporations (*e*) fiscal regulations (municipal, school, provincial and federal taxes) (*f*) the status of the administrators (*g*) the privileges of such corporations resulting from their being "commissioned by Her Majesty" (*h*) the status of the subsidiaries of these enterprises (*i*) their purchasing policy (*j*) the problem of auditing by the auditor General of Canada or by private auditors (*k*) the appropriateness of State intervention in the economic field in the form of enterprises; and all other matters concerned.

Mr. A. C. Abbott (Mississauga): Madam Speaker, it is a pleasure to address the House on the matter raised by the hon. member for Lotbinière (Mr. Fortin). The hon. member several times previously has brought forward the subject matter of this motion and has spoken at length and considerable good sense on the subject, the last time being November 4, 1974. That day the hon. member for York East (Mr. Collenette), on behalf of hon. members on my side, presented a scholarly rendering of the law affecting Crown corporations. He gave a considerable elucidation of the responsibilities they had under the Financial Administration Act. The essence of the motion, as hon. members are aware, is seeking a far greater responsibility for members of parliament to gain information as to the practice, spending procedures and so on, of Crown corporations.

● (1600)

The whole rea of Crown corporations is both interesting and of some concern. Over many years we have found that they have served governments well. They are legal entities set up either to carry out responsibilities for which no other group or aggregate of capital is interested in doing, or there has been a situation of enterprises floundering and requiring government intervention.

The last case of this aspect is with respect to Canadair and de Havilland. The Government of Canada acquired control of those two corporations with the objective of trying to maintain the aircraft industry in Canada, ultimately for the benefit of the country. Hopefully it will be restored to the private sector.

One can look at the history of this country and see cases where Crown corporations have been formed and have grown into great empires, now reaching a value of some $20 billion. Under the regime of Prime Minister R. B. Bennett, Canadian National Railways was put together as well as the Canadian Broadcasting Corporation and the Bank of Canada. All of these institutions were formed under a Tory government, those champions of the private sector. It is sometimes forgotten by Canadians that these bold initiatives were taken for good and sufficient reasons. Since that time, both Canadian National Railways and the Canadian Broadcasting Corporation have grown into major, massive corporations which compare in size to their opposite numbers throughout the world as being among the giants, particularly in the case of the railroad.

I suspect that for a good many members, the notion that parliament should have considerable control over the activities of Crown corporations is very appealing. I found it distressing in a committee hearing that when a Crown corporation came up for consideration there was very little time to deal with it, and frequently little information was provided.

The annual reports, like all corporate annual reports, tend to highlight the accomplishments of the year and downgrade that which did not go favourably. There is always a generous tribute to the management, however competent or incompetent it might have been, but that is about all. Members of parliament in rare instances have an opportunity to question the officers of the corporations. They are extremely limited in the opportunity they have to get real information about the affairs of the corporations.

I found it particularly distressing on two occasions that we had officers before us. One instance was that of Canadian Arsenals. The other was the Export Development Bank. In both cases the presidents said it was contrary to law and that they were unable to reveal their annual salary. I personally found that totally unacceptable.

As one who goes home to my constituency regularly and consults my mail every day, I find that my own modest stipend is the subject of constant public interest. When we

are told by a president of a Crown corporation, a wholly owned entity of government, that unlike his minister, deputy minister and all the other officers, his salary remains sacrosanct and unavailable for public scrutiny, that is unacceptable.

Some hon. Members: Hear, hear!

Mr. Abbott: I can understand that some of them might be embarrassed to have their large emolument compared with that of a member of parliament. I do not know if that is the primary motivation or not.

Crown corporations cover an extraordinary wide range. We have some 40 of them which represent departmental corporations. They are very much directly responsible to the department and the minister. We have agency corporations which are somewhat less so. We have proprietary corporations such as Canadian National Railways which have great superstructures, the ability to borrow and the ability to finance their own requirements.

Because the hon. member for York East gave such a scholarly rendering of the Financial Administration Act and how it affected these corporations, I suppose hon. members would welcome it if I were to dwell for a few minutes on several of these Crown Corporations, discuss what they do and how they are constituted. What comes to mind is the Seaway International Bridge Corporation Limited. That would be a fascinating subject for discussion.

Also the National Museums of Canada would open a wide range of discussion—for example, the locations of the museums. One's mind runs back to the great full page ads placed by the Victoria Museum when it completed its expensive renovations, advising Canadians as far away as Victoria, B.C. of these changes. They were full page ads to encourage Canadians to visit that museum. I spoke to the minister who confirmed that perhaps this was carrying a good thing a little far. It does perhaps illustrate that these corporations have a way of acting on their own without respect for parliament or even the minister.

When one talks of the problem of Crown corporations not being sufficiently responsible to parliament or to their officers in appearing before us, I think much of this could be said of the whole apparatus of government and the sense of relative futility that we, as members of parliament, feel in trying to analyse and know something about the vast expenditures and what lies behind them. The opportunities for discussing departmental estimates are relatively slight compared to their enormity. I am sure that even the hon. member for Winnipeg North Centre (Mr. Knowles) must find it difficult to be able, in the hours that he spends in this House, in committees, and in his office, to grasp the whole complexity of government and find himself aware of all these expenditures.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Abbott: It is, of course, a great pleasure to see him here. Last week at this time we had a debate on the question of a quorum in this House and his dissatisfaction with a quorum of 20 rather than 50. As several of our hon. friends said, if we had to depend on filling even the modest quorum we now have with members from his party, we would rarely if ever have a quorum. It is, of course, wonderful to see him here.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): All of us regular members of the club are here.

Mr. Abbott: It would be very surprising if we did not see him here. Indeed our children, or grandchildren yet unborn, may find themselves seated in this chamber watching the hon. member participating in these proceedings on a Friday afternoon. I hope that will be the case.

● (1610)

When we talk about Crown corporations being made more accessible to parliament—and I strongly recommend that legislation be enacted in this area—I think it is worth considering what is happening in the private sector. As we all know, there has been considerable debate lately on the subject of free enterprise, public enterprise, a free market system, state socialism and so on. I know all of us are concerned about this vital area of discussion.

It is worth pointing out, I think, that the information which is available to Canadians concerning the affairs of Crown corporations is in a great many respects more comprehensive than that provided to private shareholders by many of the great private corporations. Anyone familiar with the workings of major corporations realizes how little opportunity exists for interrogation of the officers of those corporations or for ascertaining information beyond that which can be read in an annual report. Shareholdings in these corporations are often closely held by blocks capable of exercising control. Before annual meetings take place proxies are sent out, and provision is usually made for half an hour or so to be set aside for questions. The questioning, in these circumstances, is merely a formality. At most, it has only a nuisance value, and as soon as possible everyone repairs to a nice lunch, if it is a good company, and that is "it" for the year.

Mr. Blais: Would my hon. friend permit a question? I do not want to take up his valuable time, but with reference to the establishment of a committee would he envisage a committee which would be formed of members from both this House and from the other place so that we could benefit from the massive corporate experience of members of the other place?

Mr. Knowles (Winnipeg North Centre): Which side is that question on?

Mr. Abbott: I gather the parliamentary secretary was anxious lest I launch into a tirade against big business. That was not my intention, I assure him. Since he has, with his usual skill, returned me to the subject of the committee, let me say that in my view it would naturally be desirable for the committee to be made up not simply of members of this House though clearly members of this House should dominate any such body, but also include members from the other place provided their activities on boards of directors permitted them to attend the hearings.

It is always an interesting and salutary experience to read minutes of the hearings of the banking committee of

the other place, recognizing that its members bring so much expertise to that subject, which is natural since most of them sit on a variety of bank boards.

Mr. Lambert (Edmonton West): You are just jealous.

Mr. Abbott: When they are considering the eligibility of applicants to form a bank I am sure they free their minds and address themselves directly to the matter. I am sure the hon. member for Edmonton West (Mr. Lambert) wakes up every morning wishing he were a member of the board of some big bank. For too long his talents have not been recognized by those institutions.

Some hon. Members: Hear, hear!

Mr. Abbott: But he keeps himself free from the temptation to sit on such boards so that he can bring his judgment to bear on the fitness of bank applicants when they come forward. I think that is a real distinction between this place and the other place.

Mr. Knowles (Winnipeg North Centre): It is not the only one. Will the hon. member permit a question? In view of the large part which is played in our economy not only by government corporations but by private corporations like the CPR and the banks, Canada Packers and so on, would the hon. member not agree that the kind of committee we are talking about should also be able to call those corporations before it?

Mr. Abbott: I do not think so. No. There are a number of regulatory bodies such as Securities and Exchange Commissions which keep a careful watch on corporations of that type. I have mentioned one such control group, but there are others.

Mr. Knowles (Winnipeg North Centre): The hon. member did not mention the CTC.

Mr. Abbott: If I were a shareholder in those companies I would start writing letters asking why shareholders could not be given more extensive rights to look behind the information presented in the annual report and find out what management had done. I would think the hon. member for Lotbinière is on firm ground when he suggests that members of parliament represent Canadians who are, in essence, shareholders of these corporations and that we do not have an adequate opportunity to call the management of such corporations before us when problems arise. If hon. members feel that the affairs of one of these Crown corporations deserve a searching examination, we should be able to make use of the services of a committee empowered to carry out this task, to spend two or three weeks, for instance, finding out what is happening.

Some hon. Members: Hear, hear!

The Acting Speaker (Mrs. Morin): Would the hon. member permit a question to be asked by the hon. member for Bellechasse (Mr. Lambert)?

Mr. Abbott: Yes, Madam Speaker.

[*Translation*]

The Acting Speaker (Mrs. Morin): The hon. member for Bellechasse.

Mr. Adrien Lambert (Bellechasse): Thank you, Madam Speaker. Before the time allowed to the hon. member is expired, I should like to ask him a question. I was led to believe during his statement that he entirely approved the motion of the hon. member for Lotbinière (Mr. Fortin). If such is the case, may I ask him before he concludes his speech whether he would be prepared to ask his colleagues on the government side to support the motion so that it may be passed before five o'clock?

[*English*]

Mr. Abbott: Well, Madam Speaker, I support the spirit of it, the intent of it, but if it were to be made into law I would strongly recommend that members on this side have an opportunity to provide the sort of legislation which would really be effective.

To conclude, I would simply repeat that there are many occasions when a Crown corporation assumes a higher profile than is usual and when its affairs call for special examination, and I do think that a committee ought to be formed which could call before it the officers of such a corporation and obtain any facts which it required, within reason. To this extent I would certainly support the motion.

● (1620)

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Madam Speaker, the fact that this motion was introduced 15 or 16 months ago, that is on November 4, 1974, indicates that we have undertaken a long trip. This session could very well be extended to June and perhaps even later, if we take note of progress made in recent days concerning the legislation before us and if we consider other highly controversial bills now being discussed even by the government members.

It is not the first time the hon. member for Lotbinière (Mr. Fortin) tackles this matter and brings in an issue that vexes several members. I have before me a letter from a colleague, the hon. member for Vegreville (Mr. Mazankowski), who make a suggestion to me as a member of the Committee on Procedure and Organization now working on the terms of reference of a sub-committee for the study of our organization of the House of Commons.

He indicated to me that he has a great desire that we should have among all our committees of the House of Commons precisely a committee to study the activities and reports of Crown corporations, and in fact quoted the same arguments put forward by the hon. member for Lotbinière on November 4. He said that this should be compulsory in order that every Crown corporation be subject to parliamentary scrutiny. Now, he indicated that the last report of Air Canada which has been studied has been the 1970 report, that the answers are always the same, and that when a member asks for information this can be detrimental to the corporation involved.

Now, are all those arguments valid? Also given as examples is the Parliament of the United Kingdom and, among

others, the parliaments of other countries which have a better system than ours. Now, let us give a closer look to this thesis and this statement.

First of all, from all committees complaints are heard from every corner that members are overworked. There are some who are not ready to ask the questions they should ask, who cannot attend all the numerous sittings. Then they do not have time to read the reports of the proceedings and everything else. So to a great extent many members who sit on the committees of the House unfortunately are wasting their effort. There is a waste of time because of duplication.

As regards the study on Crown corporations, there are about forty.

An hon. Member: About fifty.

Mr. Lambert (Edmonton West): I am told there are about fifty. Well, they will count them, perhaps there are now sixty. They have just established what I call "Petro-Can". We are asked questions the answers to which hon. members would like to know: What are the salaries of the executives? I do not know what will be the use of knowing that.

Are there any reliable reports published every year by chartered accountants, regardless of whether they come from the Auditor General or the private sector, just as long as they are competent auditors? Those people are every bit as honest and responsible as the Auditor General. To my mind, of the two I would say that the Auditor General is better qualified to say whether the operations of a Crown company are viable or not, and whether they are dishonest.

I do believe my hon. colleague from Vegreville (Mr. Mazankowski) as well as the hon. member for Lotbinière wonder if all Crown companies are profitable and justifiable. Why were they created? Some are 40 years old. How were they set up? What were their objectives at the time? Have circumstances changed? At this time, are their activities profitable or do they follow the same old routine without anyone ever questioning their raison d'être or ever wondering why this Crown corporation should not be disbanded.

I would simply like to point out that this has already been done. I have here a manuscript on a study made by Dr. Allan Blair, associate professor of the Commerce Department at Carleton University, sponsored by the research department of my party. Dr. Blair gives the names of a number of Crown corporations and concludes that they should be ended, that some of their activities could be transferred to other existing corporations or even taken over by the Department of National Defence.

A case in point, Defence Construction Limited. This corporation was established in 1942 or 1943 by then Minister of Munitions C. D. Howe. Why? Because during the war it was necessary to maintain the construction of several army bases in Canada, barracks and what have you. At that time he was not impressed with the efficiency of the Department of Public Works as several scandals later came out in that field. War construction works were to be done as quickly as possible instead of going through the normal procedure, namely the Treasury Board and the Department of Public Works. Government machinery was much too slow, later on it improved and is now quite efficient.

What is DCL today? It is a Crown corporation which finds itself caught in a little corner of the Department of National Defence. Its directors are civil servants.

There are others, such as the Canadian Arsenals, the Canadian Commercial Corporation and another whose existence hon. members probably do not know: the Canadian National West-Indies Steamship Limited. Why is that? They have two ships.

Mr. Munro (Esquimalt-Saanich): They had two ships.

Mr. Lambert (Edmonton West): This corporation exists only to protect certain interests that we must recover on our debts. Others, like St. Clair River Broadcasting Limited and Canadians Arsenals Limited, have special roles to play. I shall read my quotations in English because they are in English and the translation would not be accurate.

[*English*]

With regard to the historical public policy mandate, CAL was the phase-down agent for munitions production at the end of World War II. The mandate "fit" was appropriate at that time. Today it is the custodian and operator of two Crown owned facilities and keeps a skill pool in place. The other day it almost did not; the skill pool nearly left its earthly confines. As for its ongoing public policy rationale, there is none really apparent; phase-out seems appropriate, with skills lodged departmentally. I did say "DCL"; that is, Defence Construction (1951) Limited.

• (1630)

Then we have Eldorado Nuclear Limited and Eldorado Mining and Research. They were expropriated under war emergency powers to control uranium sources exploitation. They were closed down in 1940 when I was working for a subsidiary up on the Mackenzie River and I can assure you that this caused some consternation among the employees. However, they were resurrected in 1942. What should happen to these two companies? A thorough review and study are recommended. This was first recommended in 1961 and I think should be carried out. I could go down all the way through this list.

[*Translation*]

I shall come back to the purpose of the committee because I believe that if the motion of the hon. member were adopted, we would launch a perpetual and comprehensive investigation which would never come to any conclusions. We may wonder why, especially if the terms of reference cover only one session of Parliament. I would agree entirely with the hon. member that this committee, whether it be a joint committee or a committee of the House only, should be a small committee, including a maximum of six or eight members well versed on the subject who could examine the philosophy and the purpose of Crown corporations. This commission should be asked to make recommendations like those made by Dr. Blair.

I cannot say that I would not accept this, because I did not study the report carefully, but several corporations should be eliminated, others should be modified and others should be clarified because many of them were established 30 or 40 years ago.

He believes, and I do not doubt this, that Crown corporations have their place and their uses in today's modern society.

The Crown corporation has a very viable and very valid role but simply because the child was born many years ago I would not say it necessarily follows that it must continue to operate. If that is the case, I can speak of another objective, in addition to those that were put forward by the hon. member for Lotbinière (Mr. Fortin), and others who spoke on this subject. But one must go over *Hansard* in past years to see what was said. It is difficult to remember, and I would be quite prepared to recommend strongly to the government that if this motion cannot even be passed this could be taken into consideration and amended to examine the principles of Crown corporations.

In our day-to-day activities if we want to consider something and pass a judgment we must make sure we know what we are talking about. Otherwise, there is no point in entering the ring. You do not send a carpenter to examine the inside of a stomach, you ask the doctor, an expert. And to say here that a group of members could examine accurately and rightly the administration, say of Air Canada, what do they know about it? Quite simply, there would have to be a whole body of examiners and our committee would have to form a jury rather than simply saying we are going to conduct the examination and we as members are going to ask the questions. Somehow we would come out of it. We would push a little button or ask a question to an official or an executive of, say Air Canada or the CNR, and a fountain would immediately spout all the information required.

I prefer that we start by limiting our objective, then the little commission of inquiry of this House would hire competent staff and take a company or two and examine them. Then the commission could pass a judgment, make recommendations to the government and continue to amend or stiffle that corporation.

Those are my views on this point and I thank hon. members as well as you, Madam Speaker, for the attention you gave me.

An hon. Member: Continue!

Mr. Lambert (Edmonton West): No, no, I am finished, I made my point.

[*English*]

Mr. Hugh A. Anderson (Comox-Alberni): Madam Speaker, I am very pleased and honoured to comment on this motion moved by the hon. member for Lotbinière (Mr. Fortin) recommending the establishment of a special committee of inquiry on Crown corporations engaged in financial, commercial, or industrial activities.

With all due respect to the hon. member, one of the things that struck me a year and a half ago when I became aware of these august halls for the first time was the great complexity, not only of Crown corporations, but of the government as a whole. At that time the question came to my mind how one person who is responsible for representing an area could possess the ability to understand all of these complex things and at the same time deal efficiently with the many matters that arise in his riding. How does an hon. member grasp, within a reasonable period of time, the many complexities with which we are faced on a day-to-day basis here?

I suppose many of us here are a bit lost in respect of this vast area of enterprise in which the government is involved. I suppose it comes down to the question of what is the role of an hon. member in this House, and to what activities should he direct his energies. It is for that reason I am pleased to speak on this motion.

We sometimes forget that we were not sent here as accountants to go through the books of various corporations. I was under the impression we were sent here to act as legislators. We have accountants, lawyers, and many other people employed in government service. We must assume first of all that they are basically honest and fairly intelligent, and that the information they provide members is accurate.

We must operate with the information that is available to us and make decisions for the betterment of the country. I for one would still be lost having gone through the financial statements of some of our many Crown corporations. They are part of the vast galaxy of shoot-offs from our government. For example, there is the centennial commission. I have no idea what that is. Since we have had our 100 years celebration perhaps this no longer is in effect. It may be that someone has not noticed that it is still in existence. This is an example of the vastness of this area.

● (1640)

In deference to my compatriot across the floor, the hon. member for Winnipeg North Centre (Mr. Knowles), who has been in this House for many years, he might tell me whether in his many years' experience he has discovered how Crown corporations operate and whether he has a greater knowledge about them now than he had previously. If I am not mistaken there are approximately 250 people whose job is to act as auditors for the government. They are employed by the Department of the Auditor General. I would not wish that job on anyone. It must be a tremendous undertaking.

I believe the previous Auditor General required additions to his staff. I hope there is now sufficient staff in the Department of the Auditor General because, from a look at the number of corporations as well as the departments, it would seem that this must be an enormous task.

I wonder whether any member of this House or any committee of this House should try to take away the power or the right of review by the Auditor General's department. I wonder even if we did decide that was in the interest of Canada and the House, whether we or members of the committee, with our backgrounds which are unrelated to accountancy, actually would make any contribution to this House or the government. It might be that we should examine our priorities. As much as I may be in sympathy with the motion of the hon. member I wonder what, in practical terms, it would accomplish. I wonder how deeply we would be able to go into the situation and how much time would be required. Also I wonder whether we could afford such an in-depth study.

If such a study were to be meaningful it could not be conducted over night or once, say, every five or ten years. It would have to be an on-going process. The expertise

required might be outside our sphere. This is a debatable subject.

In the past perhaps a band-aid approach has been taken to this. Situations have arisen which caused the government and the House to take a certain course of action. Special committees of the House have been established for the purpose of examining the situation in respect of a Crown corporation or something else. Although this may be open to debate, it would seem to me that this is a reasonable way to do it.

If a situation should develop among one of the corporations which we feel is wrong, or in respect of which we feel there is some question concerning the competence of the people involved, perhaps a special committee to study that situation is the answer. I suppose a good example is the special committee that was set up to study the question of egg marketing. That was a very complex issue. The committee spent several months studying that situation. At the end I felt that there was much more we could have done had we had more time, but I think the House and the committees realize that time is one of our most precious commodities and one of the things of which we do not have very much.

I do not know whether the hon. member who brought in this motion has considered this aspect of having a special committee study certain corporations, or whether he feels that this would not be an ongoing process. However, as one member of parliament I sincerely believe that we must give offices such as that of the Auditor General, once it has been given the job of acting as a watchdog, an opportunity to carry out that function without appointing another watchdog to watch the watchdog.

The reports of the Auditor General are available to us. I have had an opportunity to look at them. It is a difficult task to study these reports. For a lay person who has perhaps no special skill or training in reading columns of figures it is neither the most productive nor easy reading. I believe the hon. member brought up a very important point. As legislators I do not think individually or even as a committee we have the time to go through the reams and reams of statistics in respect of every Crown corporation.

I agree with the hon. member for Mississauga (Mr. Abbott) that we have the right to know what these people who are running Crown corporations are costing the taxpayers of Canada. It is public money that is being spent and therefore, in my opinion, it should be accounted for.

In the province of British Columbia the salaries of doctors who are paid through the medicare program have been made public because they are paid from money out of the public purse. There was much debate in respect of whether or not the salaries of the doctors should be made available. However, it was decided that since this was public money it should be accounted for.

I have always felt that since we ourselves are under scrutiny, and since we are accountable to the people for the management of the public purse, the money paid to people employed through the Government of Canada should be accounted for and the figures made available. I do not suggest this in a critical way but rather so that it may be ascertained whether the salaries are fair. I am saying this not only from the negative point of view but from the

[Mr. Anderson.]

point of view of making sure that these people are dealt with fairly and equitably and so that we will know whether these expenditures are too high or too low. I think we have the right to know this since we provide the money.

I also strongly believe that the House of Commons should have a status that is higher than that of a court of inquiry. There may be occasions when we might like to delve into that problem. However, I do not see this matter as being a preoccupation of the standing committees. We have many other facilities for studying the problems in various areas of our government service. We should tackle one area alone.

Perhaps as a final comment I might say that this whole question of being able to have the time to go into an area in which we perhaps have specialized would be made much easier if some of the staff we have in our research centres were under our own control rather than being part of a central research staff where we have basically no control over the work done, or the type of person employed. I think at some point the House should consider having an individual member given the right to have his own staff so that he would have someone to work in his office whom he could trust, and whose abilities he would know, so that the member would know the quality of the work being done and so that there would be a much more positive and closer relationship than exists at the present time.

● (1650)

This is slightly off the point made by the hon. member attacking the question of information being made available, but I think all of us have certain interests which could be better researched if we had that sort of staff rather than using the staff under the present system. I realize that this does not include ministers. I am talking about ordinary backbenchers in this House who could make a more positive contribution if they were provided with better research facilities. The information is there if someone has the time to research it, but hon. members know that our time is very limited. Our time is devoted to committee work, the House and so forth, and surely we can use people who have expertise in certain areas to do some of that work for us.

Going back to my original point, that the Auditor General has a branch which is already set up, I do not think we have to go further and set up a watchdog committee. Someone might be interested in Air Canada or, in the case of the hon. member for Edmonton West (Mr. Lambert), a steamship company—I did not realize we had one in the West Indies, but apparently we have two flag carriers in that area—but all hon. members might not be interested in that. That is why I feel a committee is not the answer. However, if one or two hon. members were interested in a particular subject, they could do the research themselves and that would not take up the time of a committee. We have enough problems.

In the External Affairs Committee we set up a subcommittee to deal with international development. We have problems maintaining interest, although it started off with a great burst of confidence. After CIDA, and where the money was going, had been discussed for several weeks we found that the interest of the committee waned to some extent.

I feel we would have the same situation in the committee the hon. member suggests because although one interesting thing might come up, this would not occupy the attention of 16, 20 or 30 people on a month by month basis if it were a permanent committee. For that reason I ask the House to consider this proposal very seriously, to consider whether we already have instruments set up to look into these subjects and whether we would be duplicating efforts. Although I would like to see some way of developing a better research centre for our own members, I cannot agree with the proposal of a permanent committee.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I am rising to ask if the hon. member will accept a question.

Mr. Anderson: I would be honoured to accept a question from the hon. member.

Mr. Knowles (Winnipeg North Centre): In view of the fact that the hon. member for Comox-Alberni (Mr. Anderson) agrees that salaries of Crown corporation officers, such as the president of Canadian National Railways, should be made public, would he not also agree that the salary of the president of CPR should be made public?

Mr. Anderson: I certainly do not want to go into a long debate on this.

Mr. Knowles (Winnipeg North Centre): Yes or no?

Mr. Anderson: The answer is no because, as I mentioned, the reason I feel Crown salaries should be made public is not because of curiosity but because it is public money. A person who works for a company or is president of a company should not have to make that disclosure. I feel these are two separate situations. One is supported by the public, and the other is not.

Mr. Knowles (Winnipeg North Centre): Where does CPR get its money?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Fleming: I am deeply moved.

Some hon. Members: Hear, hear!

Mr. Fleming: I only hope that—

Some hon. Members: Hear, hear!

Mr. Fleming: Thank you.

Some hon. Members: Hear, hear!

Mr. Fleming: On a question of privilege, Madam Speaker, if this sudden groundswell of support and enthusiasm could be restrained, I should like to make a few brief comments on this motion.

Some hon. Members: Hear, hear!

Mr. Fleming: Failing that, I will do my best to make these comments later in my office, and I am sure all hon. members who are interested would like to hear them.

Some hon. Members: Hear, hear!

An hon. Member: Get to the bill.

Mr. Fleming: I really had a few comments I had hoped to make.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Very convincing.

Mr. Blais: Madam Speaker, would the hon. member permit a question?

Mr. Fleming: Only if it applies to my speech.

Mr. Blais: It does. My question is this: when is the hon. member going to start his speech?

Mr. Fleming: Madam Speaker, may I call it five o'clock?

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

Mr. Paproski: Madam Speaker, is there someone on the other side who can tell us what the order of business will be on Monday?

Mr. Blais: It is my pleasure to inform the hon. member who has shown interest in Monday's business that the business will be Bill C-58.

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

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

HOUSE OF COMMONS

Monday, February 9, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL DEFENCE

SUGGESTED COMMITTEE STUDY OF REDEPLOYMENT OF AIR-SEA RESCUE FORCES IN ATLANTIC REGION—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. The failure of an air search to locate two lost seal hunters off the northeast coast of Newfoundland, the second failure in a month, prompts the vital necessity to consider a redeployment of the air-sea rescue forces. I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the task force report on Canada's national search and rescue policy, recently completed, be referred immediately to a combined committee of members of the Transport and Communications, External Affairs and National Defence and Fisheries and Forestry committees, to review the report in order to recommend to cabinet action of the highest priority, the redeployment of air-sea rescue forces and lifeboat bases in the Atlantic region.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ANTI-INFLATION BOARD

PROPOSAL TO COMPLIMENT GOVERNMENT ON APPOINTMENT OF MR. LASBY—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. The matter of urgent and pressing necessity arises from the importance of dealing with escalating food prices as part of the government's anti-inflation program. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House compliments the government on its wise, impartial and imaginative decision to appoint Mr. W. W. Lasby as director of the food and agricultural division concerned with prices and profits in the Anti-Inflation Board since, as the former vice-president of Canada Packers and past president of the Meat Packers Council of Canada, he is obviously a man who knows what price rigging is all about.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

POSSIBLE MEASURES TO INCREASE SUBSIDY ON INDUSTRIAL MILK AND DISTRIBUTION OF MILK IN SCHOOLS—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion concerning an urgent and important matter.

Since the income of industrial milk producers is decreasing following the changes in the milk production policy of the federal government and because of the excessive imports of milk products, since the federal government, in its fight against inflation, recognizes that other groups in society need an income increase, and since it should do the same as regards industrial milk producers, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the House recommend to the Minister of Agriculture that he revise his milk policy so that the support price of industrial milk be increased in the same proportion as production quotas are being reduced, to guarantee a fair increase in income to those producers, and that the government consider resuming the distribution of milk in schools, on the one hand, and on the other, in underdeveloped countries, through CIDA.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

Distinguished Visitors

● (1410)

[*English*]

EXTERNAL AFFAIRS

MOTION URGING WITHDRAWAL OF FOREIGN FORCES AND POLITICAL SETTLEMENT IN ANGOLA—MOTION UNDER S.O. 43

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, under the provisions of Standing Order 43, I wish to move a motion on a matter of urgent and pressing necessity. In fairness to hon. members, I should indicate that I have taken the advice of and consulted with my hon. friend, the Secretary of State for External Affairs (Mr. MacEachen). I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House views with concern and anxiety the continuation of armed conflict in Angola and deplores the military involvement of foreign powers in that country. Further, that this House urges the withdrawal from Angola of all foreign combatants and military technicians engaged in the warfare, calls for the cessation of arms shipments to all fighting forces and urges the three major Angola political groups—the MPLA, FNLA and UNITA to desist from armed combat and proceed toward a mutually agreed-upon peace settlement. Finally, that the government be requested to convey these sentiments of this House to the Secretary General of the United Nations.

Mr. Speaker: In accordance with the terms of Standing Order 43, such a motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The hon. member for Hillsborough (Mr. Macquarrie), seconded by the hon. member for Esquimalt-Saanich (Mr. Munro) moves:

That this House views with concern and anxiety the continuation of armed conflict in Angola and deplores the military involvement of foreign powers in that country. Further, that this House urges the withdrawal from Angola of all foreign combatants and military technicians engaged in the warfare, calls for the cessation of arms shipments to all fighting forces and urges the three major Angola political groups—the MPLA, FNLA, and UNITA to desist from armed combat and proceed toward a mutually agreed-upon peace settlement. Finally that the government be requested to convey these sentiments of this House to the Secretary General of the United Nations.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM MEXICAN CONGRESS

Mr. Speaker: Before proceeding with the calling of oral questions today, I know that all hon. members will want to join with me in calling attention to the presence in our gallery of a very distinguished delegation that is visiting us and join with me in extending the warmest possible welcome in reciprocation of the welcome they extended to a Canadian delegation in their country approximately one year ago. I refer to a delegation from the Mexican congress headed by the very distinguished leader, Dr. Olivares.

[Mr. Speaker.]

Some hon. Members: Hear, hear!

Mr. Speaker: The co-leader of the Mexican delegation is Jimenez Morales.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

GOVERNMENT ACTION TO AVERT THREATENED STRIKE OF RAILWAY EMPLOYEES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Labour, I will direct my question to the Acting Prime Minister who, I am sure, will be fully familiar with the problems involved in view of their importance. Apparently the Minister of Labour met last Thursday with the negotiators involved in the railway dispute and apparently the negotiations have broken down. Can the Acting Prime Minister tell the House what action the government is going to take? In particular, would he tell us whether the government has clarified its position as to what constitutes the maximum permissible offer under the guidelines?

Hon. Bryce Mackasey (Acting Minister of Labour): Perhaps I might reply to that question, in the absence of the Minister of Labour. I did have an opportunity to discuss this very point with the minister and he is at the moment considering whether to name an industrial commissioner or a conciliation board. I believe he will come to a firm conclusion in the course of the next few days.

THREATENED STRIKE OF RAILWAY EMPLOYEES—POSSIBLE CONSULTATION WITH ANTI-INFLATION BOARD ON PERMISSIBLE WAGE INCREASE

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary relating to the second part of my question, which becomes even more pertinent in view of the complaint by the commissioner dealing with an industrial inquiry in British Columbia into the supermarket dispute, having to do with the ambiguity of the guidelines which causes confusion and delay in analyzing the dispute. May I ask the Acting Minister of Labour whether the government proposes to clarify the parameters of the negotiations in order to avoid serious industrial disputes unnecessarily paralyzing the economy of the country.

Hon. Bryce Mackasey (Acting Minister of Labour): This is a valid question, Mr. Speaker. I would imagine this is the first thing an industrial commissioner would want to do in his own capacity. I do not believe we should encourage the government to dictate to the Anti-Inflation Board or ask the Anti-Inflation Board to clarify certain things which are more ambiguous to some provincial commissioners than to others. But I do believe that an industrial inquiry commission, or chairman of the board, once it is set

up, would want these areas to be clarified before negotiations continued.

THREATENED STRIKE OF RAILWAY EMPLOYEES—GOVERNMENT POSITION ON ESSENTIALITY OF RAIL SERVICE

Hon. Robert L. Stanfield (Leader of the Opposition): I take it from what the Acting Minister of Labour says that, as the government sees it, the Anti-Inflation Board would respond to such an inquiry from the industrial commissioner and would indicate to him the parameters within which he could work. Has the government indicated to the negotiators in the dispute what the position of the government is with regard to the possibility of a railway dispute leading to a strike? Has the government taken a position with regard to the essentiality of rail service and, if so, has it indicated that position to those involved in this dispute?

Hon. Bryce Mackasey (Acting Minister of Labour): So far, the position of the government is that the dispute is between the employer, C.N. Railways, and the employees represented by various unions. It is not the government's intention or prerogative at this moment to interfere with the collective bargaining process. As to my reference to the Anti-Inflation Board, I think the hon. gentleman has read too much into it. It is entirely up to the Anti-Inflation Board to pass judgment on a collective agreement, once signed, and this should be the traditional position, I think, unless we want the Anti-Inflation Board unintentionally to assume the role of arbitrator in all disputes before collective bargaining has had an opportunity to function.

POSSIBLE STUDY BY LABOUR RELATIONS COUNCIL OF ROLE OF ANTI-INFLATION BOARD IN COLLECTIVE BARGAINING

Mr. Walter Baker (Grenville-Carleton): Having regard to the fact that this is exactly what has happened in terms of the Anti-Inflation Board, could the minister inform the House whether or not the Canada Labour Relations Council is studying this matter specifically, and, if so, what studies are being undertaken by that Council?

Hon. Bryce Mackasey (Acting Minister of Labour): If that is what is happening—and I do not agree that it is—I do not suppose the hon. gentleman would suggest that we encourage it further by asking the Board to interfere in the railway dispute before a strike occurs or before a settlement is arrived at through the collective bargaining process. As far as the Labour Relations Council is concerned, the hon. member will realize that this is an advisory body concerned with government policy in general rather than any particular dispute.

● (1420)

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. Having regard to the Woods report of 1968, which did make certain recommendations, would the minister ask the Canada Labour Relations Council to study and advise the government on the dangers to the public of a work stoppage in the railways in order that the government can take an early and clear position on whether a strike would be tolerated? Reportedly, the council is going to meet this week. Would the minister undertake to advise the council to make such a report?

Mr. Mackasey: Mr. Speaker, I cannot speak for the minister. This is not the issue that was introduced by the question. The subject matter has evolved all the way from the railway dispute to the proposed role of this particular council in industrial relations in the future. Certainly, that is something that I do not want to try to anticipate at this moment.

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EXTERNAL AFFAIRS

GUATEMALA—EXTENT OF GOVERNMENT ASSISTANCE IN VIEW OF DISASTROUS EARTHQUAKE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Given the scale of the human disaster which is befalling the people of Guatemala and the decision of the federal government to give the paltry sum of $75,000 to provide some assistance to this disaster, I should like to ask the minister in all seriousness whether this is the limit of the government of Canada's concern for this situation, and does it not intend to provide some medical or other assistance in the form of food to the people of this unfortunate country well beyond the $75,000 level?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I believe I indicated to the House last week that the contribution mentioned by the hon. member was an initial contribution to the Red Cross in Guatemala for disposal on an urgent basis. That is not the limit of our effort or our intentions with respect to Guatemala. We undertook on the weekend a shipment of powdered milk to Guatemala. As this is one of the urgent requirements of the government, 30 tons of powdered milk, purchased from the Canadian Dairy Corporation in Winnipeg, are en route to Guatemala at the moment. We are evaluating the situation with the intention of adding to our commitment for food aid. As I also stated last week, we are proposing to make a substantial contribution in food aid to Guatemala.

This afternoon the Canadian ambassador in Guatemala, in company with other ambassadors accredited to the country, will be meeting with the president, and I have indicated to our ambassador to make additional commitments with respect to food aid to Guatemala. An additional requirement at the moment is for blankets. It is one of the coldest Februarys in that country and many people have to remain outside because of the destruction of dwellings. We are considering at the moment what we can do to assist in the provision of blankets to the freezing population.

In addition to that, we are co-ordinating our efforts with the International Red Cross in order to respond to the medical requirements of the situation in Guatemala. We know that there are volunteers in the United States, Canada and other countries ready to go to assist medically, but at the moment there is a limit to the capacity to absorb these facilities. All efforts are being co-ordinated through the International Red Cross so we are advising individuals

in Canada who are interested in serving to have their efforts co-ordinated through the Canadian Red Cross.

In brief, Mr. Speaker, we are operating urgently on a number of fronts and we will be increasing our commitments as needs are more clearly evaluated and presented to us by the Guatemalan authorities.

Mr. Broadbent: Mr. Speaker, the minister says "in brief", but in all of that the only commitments I heard were for some powdered milk and $75,000 which the government has already committed itself to spending. Since the initial earthquake took place almost a week ago, could the minister be more specific as to what other food commitments the government has in mind and, secondly, in terms of medical assistance is it making plans to send medical personnel of a variety of kinds, plus the supporting equipment to that country? If that is so, how much and, more specifically, within that context, will it be assisting the Montreal medical team which has indicated that it wants to go to help?

Mr. MacEachen: Mr. Speaker, the commitments in the future, in addition to the sums mentioned by the hon. member, are quite considerable. I have undertaken with the officials of CIDA to make an increasing commitment in food aid to the situation in Guatemala. Today at the meeting with the President of Guatemala the ambassador will be authorized to commit an additional $300,000 in food aid to that which has already been made available. Depending on the needs, we will be prepared to go beyond that, so there will not be any slackening of effort in respect of the food aid portion of our assistance. On the medical side, I repeat that experience has taught in previous emergencies that the most efficient way by which medical supplies can go into the area is through the coordination of Red Cross societies which can evaluate the personnel and resources becoming available from all countries. We encourage those who wish to go to present their intention to the Red Cross, and we will assist the Red Cross in any way that seems appropriate and desirable at the present time.

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NATIONAL DEFENCE

AVAILABILITY OF MEN AND MATERIALS TO ASSIST EARTHQUAKE VICTIMS IN GUATEMALA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a final supplementary for the Minister of National Defence. Since in the white paper entitled "Defence in the 70's" published in 1971 the government stated its commitments to the use of Canadian armed forces for international disaster situations like the one that has unfortunately befallen the people of Guatemala, would the minister advise whether the Canadian armed forces now have at their disposal field hospitals, field kitchens, ground transportation and medical supplies that can be made available in such a disaster? If we do have those supplies, has the Department of National Defence taken any steps to make sure that these will be offered to the people of Guatemala in the existing circumstances?

[Mr. MacEachen.]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as the hon. member knows, on a number of occasions since the white paper was issued the armed forces have been of assistance in international emergencies, but that assistance has been primarily in the form of transport. In the present emergency we do have three Hercules standing by and ready to move supplies to Guatemala. To date we have not received a specific request for particular items to transport. We are not ourselves collecting the kind of medical equipment to which the hon. member has referred. That would be the responsibility of others and we would be primarily responsible for transportation.

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EXTERNAL AFFAIRS

GUATEMALA—EFFORTS TO FIND CANADIANS MISSING FOLLOWING EARTHQUAKE

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Secretary of State for External Affairs. First may I preface it by congratulating the minister's staff on their dedication over the weekend in looking after inquiries regarding Canadians missing in Guatemala.

Some hon. Members: Hear, hear!

Mr. Brisco: Given that, Mr. Speaker, I wonder whether the minister would assure the House, and perhaps reassure the Canadian public, that every effort is being made to locate those Canadians who have still not reported into the Canadian embassy, in order to determine the safety and condition of health or otherwise of those Canadians still missing there?

● (1430)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for his words of commendation for the members of the External Affairs Department who are working on this problem at this particular time. It is impossible to give precise figures, but we believe there are approximately 500 Canadians in Guatemala. So far the embassy has been in touch with more than 400 of these Canadians to confirm that they are safe. That information is being communicated by telephone on an urgent basis to their relatives in Canada. The embassy staff is continuing its efforts to locate additional uncontacted Canadians and that information will also be conveyed. I should mention that communication is not normal at the present time and over the weekend it has been difficult both by telephone and Telex to be in touch with the embassy because of the frequent breakdown of communications.

[*Translation*]

AGRICULTURE

MILK—POSSIBILITY OF NEW POLICY TO INCREASE RETURNS TO PRODUCERS

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to put a question to the Minister of Agriculture, but as he is not in the House, I will direct it to his parliamentary secretary.

Since Quebec industrial milk producers and the management of industrial plants are seriously concerned about the government milk policy, which would result in lower income for producers, may I ask the minister, through his parliamentary secretary, whether he will recommend an adjustment to the milk policy to favour better returns for milk producers?

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the minister, who is absent for the whole week and is to speak to several agricultural organizations in western Canada, has been examining this question for several weeks already and he will put to the House within a month a new dairy policy for 1976-77.

POSSIBILITY OF MEETING BETWEEN MINISTER AND FLUID MILK PRODUCERS TO CONSIDER PROBLEM OF SURPLUS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a supplementary for the Parliamentary Secretary to the Minister of Agriculture.

Before the end of that month, do the minister and his parliamentary secretary expect to meet the natural milk producers who discharge their surplus in those that are also part of the industrial milk producers' surplus so that, one day, those surpluses be adjusted in a manner that would be fairer to industrial milk producers?

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the minister considers both types of producers on the same level. It is well known that industrial milk producers are much more affected. Any way, the minister gives consideration to both categories of producers.

* * *

[*English*]

FINANCE

REQUEST FOR ESTIMATES OF BUDGETARY DEFICIT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Finance. I note that the federal government's statement of financial operations for the first nine months of this fiscal year shows a budgetary deficit of more than $3 billion. Considering that the past pattern of revenue collections and expenditure disbursements indicates that the pace of expenditures will accelerate in the final three months of the year while revenues will grow at a less rapid rate, is the minister in a position to tell the House whether the budgetary deficit projection of $3.2 billion given on June 23 will be exceeded and, if so, by what amount.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would not like to make an estimate of that kind at the moment.

Mr. McKenzie: Mr. Speaker, I have a supplementary question. Can the minister identify to the House any expected developments in the behaviour of either revenues or expenditures over the next three months which would prevent the budgetary deficit from passing the $6 billion mark, as some reputable private forecasters have indicated?

Mr. Macdonald (Rosedale): Mr. Speaker, it strikes me that is rather an exaggeration.

* * *

SUPPLY AND SERVICES

REQUEST FOR ASSURANCE NO BRIBES OFFERED BY LOCKHEED FOR PURCHASE OF AIRCRAFT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the President of the Treasury Board. Can the minister reply without equivocation that the government has investigated and satisfied itself that there were no improprieties in the purchases between the government and its agencies and Lockheed Aircraft Company in the sales of aircraft by the company to Air Canada and to the Department of National Defence. I ask this question because of the reports current in the press concerning bribes offered by Lockheed in the Netherlands and Japan.

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, my officials inform me that, as far as the Treasury Board is concerned, there is no indication in the records that there was nothing dishonest or improper in the procedures between the federal government and this company.

* * *

[*English*]

NATIONAL DEFENCE

LONG RANGE PATROL AIRCRAFT—REQUEST FOR CLARIFICATION OF TECHNICAL PROBLEMS PREVENTING SIGNING OF CONTRACT WITH LOCKHEED

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, in the absence of the Minister of Supply and Services and his parliamentary secretary I will address my supplementary to the Minister of National Defence. Can the minister advise the House if he has overcome the technical problems which have prevented the Minister of Supply and Services signing the contract for the long range patrol aircraft with Lockheed and could he give the House a brief explanation of what was meant by "technical problems", a term used by the Minister of Supply and Services in the House last Monday in reply to a somewhat similar question.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, my colleague the Minister of Supply and Services is completing the negotiations with

Lockheed and it is expected he will be able to finalize the contract in a very few days.

Mr. Speaker, in response to the earlier question of the hon. member for Victoria perhaps I might read a paragraph from a letter from the Chairman of Lockheed, which I think answers the question raised:

Lockheed Aircraft Corporation has not paid commissions nor will it pay commissions to anyone in connection with the LRPA competition. We are prepared to certify to this fact as a provision in the contract.

Under the rules of the House, Mr. Speaker, I will table this correspondence, Mr. Speaker.

* * *

POST OFFICE

SUSPENSION BY UNION OF EMPLOYEES WHO RETURNED TO WORK DURING STRIKE—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Postmaster General or the Minister of Labour whomsoever wishes to field it. In view of the fact that during the strike by the postal workers last October and November the Postmaster General and the Minister of Labour resisted any efforts to get back-to-work legislation by the Postmaster General in particular encouraging people to go back to work and asking members of this House to be patient. This did happen and the strike was settled. My question is, what action is the government taking with regard to the suspension and fining now by the postal union of those members who had the courage to go back to work to follow the suggestion of the Postmaster General in order to break the strike and who now may be the victims of it.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, this is my first opportunity to thank that particular hon. gentleman for his well known patience on all subject matters. Insofar as the 10 per cent or up to 2,000 workers who went back to work during the strike, they did so because of the courage of their own convictions. I assured them then, and I do so again, that the post office is an open plant and that one does not have to be a member of the union to work in the post office. Their security is protected, their rights are protected and their grievance procedure is protected. In every respect, the rights of all postal workers are sufficiently protected whether they do or do not belong to the union.

However, the internal question of their role in the union is up to the union. I hope the hon. gentleman is not suggesting that we should start interfering with the internal operations of that particular union. Nevertheless I am sure when legislation comes forward as it might one day to revise the PSSRA we may want to take a better look at the rights of individual workers in respect of a secret ballot when there are issues of this magnitude during a strike.

Mr. Lambert (Edmonton West): Mr. Speaker, contrary to what the minister may have suggested, I am not suggesting in any way that the government should interfere in the internal workings of the union, but does the minister not agree that the minister having encouraged people to take an independent line of action he should not now suffer them to be intimidated.

[Mr. Richardson.]

Mr. Mackasey: Well, Mr. Speaker, I am awfully pleased the hon. gentleman has suddenly become a convert and suggests that we not interfere with the internal operations of the union because that was implied by his second question. The people who went back to work during the strike as a result of my encouragement, and the encouragement of all members of parliament and the public, are people with courage and conviction, since there was a certain degree of unpleasantness. However, I suggest they were quite prepared to recognize that that is part of the democratic process. There is no evidence of intimidation, and I suggest to the hon. gentleman that he bring forward to me one case of intimidation by the union against people on the work site. I think this union has been the subject of a certain amount of adverse publicity, and I think it would be fair now to give them an opportunity to work out their own problems. They are well on the way to doing so.

● (1440)

Mr. Lambert (Edmonton West): There has been moral intimidation. You know that, too.

* * *

ANTI-INFLATION BOARD

SUGGESTION BOARD PUBLISH DECISIONS ON PRICES—GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. Will he take immediate steps, including the presentation of amendments to the law if necessary, to ensure that the Anti-Inflation Board will deal with prices through formal decisions which it will publish no less than it does when it comes to wages, and generally to ensure that the board will publicize its findings and conclusions on prices as fully as it does on wages in order that public confidence in the even handedness of the board in carrying out its work continues and in fact increases?

Some hon. Members: Hear, hear!

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would be glad to discuss the hon. member's very detailed question with the board.

* * *

GOVERNMENT ADMINISTRATION

GOVERNMENT POSITION ON CONTRIBUTION TO CROP INSURANCE FUND

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the President of the Treasury Board. In view of the fact that under the Crop Insurance Act the federal government is committed to a certain level of contributions based on the number of farmers covered; in view of the fact that the crop insurance section has estimated that the required federal moneys for 1976 will be about $62 million; and in view of the announcement by the minister that the amount of the federal contribution will be cut by about $10 million, reducing the contribution to $52 million, can the minister advise what will happen if the required contributions by

the crop insurance board exceed $52 million, and will he advise further when the government plans on obtaining additional funds, or will it renege on its commitments?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, this question is rather technical. I do not think I can give an answer at this time, but I think that all sectors of the economy, including this one, must participate in the federal government's restriction program.

* * *

[*English*]

NORTHERN AFFAIRS

SUGGESTED DELAY IN GRANTING DOME PETROLEUM PERMIT TO DRILL IN BEAUFORT SEA

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development in the absence of the minister and also in the absence of many other ministers.

Some hon. Members: Oh, oh!

Mr. Leggatt: It concerns the report issued by the Minister of the Environment on January 29 regarding the environmental effects of off-shore drilling in the Beaufort Sea which indicated that it would be one to three years before blowouts in that area could be controlled with resulting severe environmental effects to the area. Would the parliamentary secretary advise the House and the country as well as those officials who works so hard in the Department of the Environment that a drilling permit will not be granted to Dome Petroleum until the proper technology is developed to control blowouts in the Beaufort Sea and until such time as Dome Petroleum ceases to lobby for that?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure the hon. gentleman will be delighted to know that the people who are absent from the House today are all in British Columbia.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: In general, the application is complete and the studies are satisfactory. Some documents on the subject have been made public, most significantly Environment Canada's Preliminary Environmental Assessment, based on the Beaufort Sea environmental studies program and this department's Backgrounder on off-shore drilling in northern Canada. As a result of the availability of both these reports, the advisory committee has just completed one week of consultations with the Beaufort Sea communities which would give about seven days for the advisory committee to deliberate on the matter, possibly three more days for a review in the department, and it is anticipated that a recommendation on this application will be placed before the minister on February 18.

Some hon. Members: Hear, hear!

PROPOSED REFERENCE TO BERGER COMMISSION OF ENVIRONMENTAL EFFECTS OF DRILLING IN BEAUFORT SEA

Mr. Stuart Leggatt (New Westminster): On this consultation process which the parliamentary secretary indicates will take place over a period of some three days covering six communities, would the parliamentary secretary advise the House whether that is the extent of the consultation with people in the north on that drilling and, secondly, will she advise the House why the Berger Commission does not have its terms of reference extended so that they can carry out a decent study into the environmental effects of drilling up there?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): I am sure the hon. gentleman is more familiar than I with some of the activities undertaken by the northern people, particularly in C.O.P.E. C.O.P.E. has been told that the decision on the Beaufort Sea drilling will have to be taken before the Berger inquiry is completed but that the decision may not have to be taken until after the last set of Berger hearings in the delta in mid February.

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TRADE

GOVERNMENT POSITION ON LEVEL OF CHEESE IMPORTS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce and it relates to the issue of the import of foreign cheese products. In order to find out whether the minister has finally resolved his differences with the Minister of Agriculture, may I ask him to confirm reports that the level of imports for this dairy year will be reduced by some five million pounds below the 50 million pounds permitted last year?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not in a position to confirm that report. There have been other reports, of course, on increases and also on keeping the level the same as it was last year. At the moment no decision has been made.

Mr. Jarvis: May I ask the minister therefore if it is necessary for us to wait one month for the final decision in light of what the parliamentary secretary said today vis-à-vis the industrial milk producers? I should also like to ask whether there will be a reconsideration of the long-range policy that imports will be permitted to increase to at least double in the next few years. Is that policy being reconsidered?

Mr. Jamieson: The answer to the latter part of the question is yes, in the sense that we are looking at the impact of quotas on cheese as it affects the dairy industry into the future. Therefore, it is being reviewed. As to the question of where it will rest for the next 12 months, I repeat that no decision has been made, but I think it is safe to assure the hon. member that there will be no increase in the quota during the next 12 months.

Oral Questions

NATIONAL DEFENCE

REQUEST FOR REDEPLOYMENT OF AIR AND SEA RESCUE FORCES IN ATLANTIC REGION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of National Defence. In view of the fact that air and sea rescue have failed in two attempts in one month to locate lost fishermen, is the minister now prepared, in view of the fact that the reaction time of sea and air rescue is not good enough in locating lost fishermen, to redeploy a force in the province of Newfoundland where these occurrences take place?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, it is regrettable that in the last two instances we were not successful in finding the fishermen who were lost, but there have been many successful searches as well, and in this particular instance the armed forces did all they could do. We sent three aircraft and a coastal vessel. They were working there for some four days and really conducted an excellent search and rescue operation, even though it was not successful. There is no reason to make any changes in the location of the search and rescue fleet.

SUGGESTED REFERENCE TO COMMITTEE OF TASK FORCE REPORT ON SEARCH AND RESCUE POLICY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): The letter from the Minister of Transport on December 5 indicated that the necessary implementation documents on the task force report on the national search and rescue policy were completed. Would the minister agree to have this report referred to the appropriate committee to make recommendations on the redeployment of a force and the necessity for a better reaction time and better surveillance of the Atlantic coastal region?

Hon. James Richardson (Minister of National Defence): I will agree to consult my colleague, the Minister of Transport.

* * *

● (1450)

[*Translation*]

COMMUNICATIONS

EFFECT OF VANCOUVER COURT DECISION ON POWERS OF CANADIAN RADIO-TELEVISION COMMISSION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to put a question to the Minister of Communications.

In view of the ruling of the court, in Vancouver, which interrupted the activities of the Canadian Radio-Television Commission, and its resulting downgrading of the CRTC, what administrative or legislative steps is the government considering, outside of an appeal to a superior court, to reinstate the commission in its role and functions?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, if I understood correctly what happened in Vancouver, I would say that only the administrative aspect of the CRTC hearings in Vancouver was involved. I believe the CRTC could proceed with its hearing in other cities because the specific problem involved in Vancouver does not necessarily exist elsewhere. With regard to the ruling that may be appealed, that is validity of the owner's preferential rights, that is the question the CRTC will want to put to a superior court.

[Mr. Jamieson.]

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary.

Do I understand that the answer given by the minister means that the decision of the court in Vancouver has no influence on the activities of the commission in the other provinces?

Mrs. Sauvé: No, Mr. Speaker, even if the same circumstances occured in another city, if an applicant opposed the renewal of a television licence and wished the CRTC to hear his own application. What happened in Vancouver could have some repercussions in another city unless the writ is only territorial. What happened in Vancouver is that the person asking for a renewal of his licence saw his application challenged by another who wanted to licence in his place. Nevertheless, it is not the policy of the CRTC to hear new applications for licences against those who already have one. The person who already has a licence has priority. However, they agree to examine the objections of those who complain about the way a television station has performed its functions, but a new claimant is not allowed to ask for the licence.

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AIR TRANSPORT

GOVERNMENT ACTION TO PREVENT STRIKE BY AIR TRAFFIC CONTROLLERS

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the President of the Treasury Board.

Considering that a strike by air traffic controllers in Canada is imminent as a result of the breaking off of negotiations between Treasury Board and the Canadian Air Traffic Controllers' Association owing to the rejection of clauses asking the prohibition of bilingualism in air communications, can the President of the Treasury Board advise the House what steps he intends to take to avoid the stoppage of air traffic control throughout Canada for the alleged reasons and conform that the rejected clauses violate the Official Languages Act?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I am essentially an optimist and I hope that we can solve the problem through normal negotiations or bargaining during the next weeks.

[*English*]

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF RECOVERING GRANT FROM MEADOW LAKE WOOD INDUSTRIES

Mr. Bert Cadieu (Meadow Lake): Mr. Speaker, my question was for the Minister of Regional Economic Expansion, although in view of the importance of the question I would prefer the Acting Prime Minister to take note of it. In view of the fact that the Meadow Lake Wood Industries which opened on May 20, 1975 and closed on or about February 6, 1976, leaving 50 people unemployed and numerous debts including wages and taxes, had received a $423,000 DREE development incentive, would the minister please advise what the policy of the government is in recovering its investment?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the hon. gentleman suggested, I shall take note of the question and refer it to the minister.

* * *

AIR TRANSPORT

INCREASED AIRPORT TERMINAL CHARGES—GOVERNMENT POSITION IN VIEW OF RESTRAINT PROGRAM

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is for the Minister of Finance. In view of the contemplated action of the Minister of Transport to increase airport terminal charges and landing fees by 30 per cent across the board and also to impose a new 66 cents per passenger security charge which will also have to be passed along to the Canadian consumer, does the minister not feel that the government, which is seeking the co-operation of the provinces, organized labour and the Canadian people with the Anti-Inflation Board should now set an example of price restraint rather than leading with arbitrary price increase and the imposition of new charges?

Hon. Bryce Mackasey (Acting Minister of Transport): Mr. Speaker, in the absence of the Minister of Transport I might say that the nominal figure of $1 which has been charged at airports is a continuation of the policy that wherever possible the user should pay for the particular service provided.

REQUEST FOR TABLING OF STUDY ON INCREASED COST OF SECURITY GUARDS AT AIRPORTS

Mr. Ron Huntington (Capilano): Mr. Speaker, my question was really addressed to the Minister of Finance but if I may I will address a supplementary to the Acting Minister of Transport. In view of the fact Eastern Airlines in the United States shows an average cost of 15 cents per passenger for the cost of armed guards, can the minister advise if he has cost benefit studies supporting the new 66 cent charge? If the has, will he table them?

Hon. Bryce Mackasey (Acting Minister of Transport): Mr. Speaker, I am sure we have them but I think the Minister of Transport should decide on his return whether they are of sufficient importance to be tabled.

GOVERNMENT ADMINISTRATION

REQUEST FOR INCREASED FUNDS FOR FLOOD CONTROL IN FRASER VALLEY—GOVERNMENT POSITION

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my question is for the President of the Treasury Board. In reply to a question asked by my colleague the hon. member for Fraser Valley West, as recorded at page 9682 of *Hansard* for December 3, 1975 and later confirmed in a conversation with me, the Minister of the Environment at that time stated that flood control in the Fraser Valley was of top priority with the government, and the request for an additional appropriation to continue the program was then before Treasury Board. Could the minister advise the House whether a request was before the board at that time or has been placed before the board since, and whether a decision has been made on the request?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the decisions of the Treasury Board are always announced by the minister responsible for the program.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Acting Prime Minister. Many businesses are given the burdensome task of filing mass reports to the Anti-Inflation Board which are due February 20. The same companies are asked by the Department of Consumer and Corporate Affairs to file reports back to 1960 and they would like these by the middle of March. The Department of National Revenue wants its pound of flesh by March 31. Where is business going to get the help to facilitate this horrendous administrative nightmare when the government has employed all the chartered accountants and accountants to watch over these companies and which department over there has priority?

Mr. Speaker: The hon. member for Central Nova.

Mr. Paproski: Mr. Speaker, these people are serious; they want to know.

Mr. Speaker: The hon. member for Central Nova.

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ROYAL CANADIAN MOUNTED POLICE

DISCHARGE OF STAFF SERGEANTS McCLEERY AND BRUNET—INQUIRY WHETHER DISCHARGE BOARD CONVENED—GOVERNMENT ACTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Solicitor General. On December 5, 1972, RCMP Staff Sergeant Donald R. McCleery, No. 18110, was discharged from the force as "unsuitable" under regulation 150(d) by the commissioner under regulation 173. About nine months before discharge, Staff Sergeant McCleery had been awarded a long service medal for 20 years of good conduct service. My question to the minister

on these facts is: was a discharge board convened in respect of McCleery's discharge as is mandatory under regulation 155 and may I ask the same question with respect to Staff Sergeant Giles Brunet?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, to the best of my recollection no board was convened in the case of McCleery or Brunet because they were charged or dismissed under a section of the RCMP Act which does not require such a hearing. There was no disciplinary charge made against them. There are two sections of the RCMP Act under which members can be dismissed, one section for discipline where there is a hearing and one section for unsuitability where there is no hearing.

Mr. MacKay: Mr. Speaker, without necessarily agreeing with the minister may I ask what action, if any, he is contemplating with regard to these two officers to reassess their position under present circumstances?

Mr. Allmand: Mr. Speaker, I have re-examined their file on several occasions with officers of the RCMP; I have met with their lawyers; I have even met with the individuals themselves. I advised them that if they felt they had any complaint about the procedures they should have pursued the legal recourse they had before the federal courts. As the House knows, under the Federal Court Act, as revised a few years ago, it is possible to review the decision of a commission or board or an administrative decision of the federal official. The two officers in question did take an action before the federal court but dropped it without further notice.

An hon. Member: You know why.

● (1500)

ROUTINE PROCEEDINGS

[English]

MANPOWER

TABLING OF DOCUMENTS ON ALLOCATION OF LOCAL INITIATIVES PROGRAM FUNDS, 1975-76

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, under the provisions of Standing Order 41(2) I should like to table, in both official languages, documents on the allocation of Local Initiatives Program funds for 1975-76.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,707 and 3,828.

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

[Mr. MacKay.]

[Text]

PUBLIC SERVICE COMPETITIONS AND MEMBERS OF CANADIAN ARMED FORCES

Question No. 3,707—**Mr. Forrestall:**

1. Is the Minister of Regional Economic Expansion aware of the answer to Question No. 2,849 and, if so, does he accept its implications as to the ability of members of the Canadian Armed Forces born in the Atlantic Provinces but not stationed there to enter closed competitions offered by the Public Service but restricted to residents of the Atlantic Provinces?

2. Does this policy and its working advance the efforts of DREE to promote regional growth and encourage residents of the Atlantic Provinces to contribute to their regional economy and, if so, in what manner?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer to this question for the Department of Regional Economic Expansion is as follows: 1. Yes. As indicated, members of the Canadian Armed Forces have the same rights and restrictions in regard to closed Public Service competitions as members of the Public Service.

2. The effects of the policy, which is based on considerations of equity, would appear to be neutral in so far as regional development is concerned.

RADIO-TELEPHONE OPERATOR'S CERTIFICATE (AERONAUTICAL)

Question No. 3,828—**Mr. Forrestall:**

1. During each of the past five years, in the Province of Quebec, how many air pilot candidates applied for a (a) general (b) restricted radio-telephone operator's certificate (aeronautical)?

2. How many were issued a licence in (a) French (b) English?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned:

1. Applications:	1971	1972	1973	1974	1975
(a) General Class	1	0	1	0	0
(b) Restricted Class	323	411	410	579	479
2. Certificates issued:					
(a) General (French)	0	0	0	0	0
General (English)	1	0	1	0	0
(b) Restricted (French)	8	24	11	16	149
Restricted (English)	315	387	399	563	330

[English]

Mr. Speaker: Order, please. I indicated earlier that perhaps today or tomorrow I would invite the hon. member for Central Nova to discuss a certain matter now sub judice. I wonder if three o'clock tomorrow would be a convenient time for that discussion. Is that agreed?

Mr. MacKay: Mr. Speaker, that is agreeable, but is that without prejudice to my right to ask questions tomorrow relating to the general subject of Sky Shops? That was not specific.

Mr. Speaker: As I indicated earlier, previous rulings of precedents in respect of matters sub judice have been

confined to matters before the criminal courts and really have been confined more to the right or obligation, as it were, of ministers to answer questions, than the right of opposition members or other members to ask question. The civil law suit puts a different dimension on the question; the hon. member being a party to the litigation puts a different dimension to it. Otherwise the hon. member and others would be free, as a matter of precedent, from restriction to ask any questions until such time as the matter is set down for trial or actually being heard.

I would therefore need some indication that the restriction to which I referred generally applies to the hon. member, but there is an unusual circumstance here in that the hon. member is a party to the litigation. I think that in this case I would have to hear the individual question before ruling on whether it would to be in any way confined.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Friday, February 6, consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, on Friday when speaking on the bill before the House and the amendment and subamendment now being considered I made the point that the government, with the fiat of the Minister of National Revenue (Mr. Cullen), tried to change a statute this House passed a number of years ago.

Some years ago this House laid down the principle that if advertisers wanted to qualify for income tax deduction, their advertisements had to be placed in publications not substantially the same as foreign publications or, more accurately, that income tax deductions would not be permitted in cases where those advertisements were placed in publications substantially the same as foreign publications. I made the point that "substantially the same" could not, by any stretching of the English language, mean "80 per cent different." Neither can the English language be so tortured that "substantially the same" means "20 per cent the same." For example, to suggest that a publication "25 per cent the same" as another publication is "substantially the same" is a misuse of the English language. Clearly, the government is changing the law which parliament adopted, and not by asking parliament to change the law it is doing it simply with a ministerial interpretation. A few days ago the hon. member for Mississauga (Mr. Abbott) was surprised that I should be surprised at the Minister of National Revenue's interpretation of this law. The hon. member suggested that the minister and the department must as best they can frequently interpret the various laws they

are called on to administer, particularly the Income Tax Act.

This bill relates to the Income Tax Act. Let me ask the hon. member for Mississauga this: Is it the practice of the Department of National Revenue, when interpreting the Income Tax Act or other legislation, to hand down interpretations clearly contrary to the meaning of the original law passed by parliament? Some Canadians are so suspicious of the operations of the Department of National Revenue that they think the department is capable of being most arbitrary. I do not want to be associated with such accusations. I do not think it is the practice of the Department of National Revenue to render an interpretation of our laws clearly contrary to the plain meaning of those laws. I hardly think any hon. member opposite will defend the practice of the Minister of National Revenue and officials of his department of operating on the basis of interpretations so clearly contrary to the law adopted by parliament.

Again I say, no reasonable man can say that in the English language "25 per cent different" means the same as "substantially the same," or that when one says a magazine is "25 per cent the same as a foreign publication," it is "substantially the same" as that foreign publication. That is what I mean when I say this process is an abuse of the processes of liberal democracy. It is a subversion of the judicial and parliamentary process.

I am also unhappy with what is happening, as the minister's interpretation does not relate simply to money. It does not determine merely how much money is to be taken from a citizen or corporation; and I admit that such a decision is important to any individual or corporation concerned. We are not, as the Secretary of State (Mr. Faulkner) said, dealing with an ordinary business: he went to some pains to point out that we are not dealing with ordinary business. We are dealing with periodicals, with the press, and we are dealing with what I must call arbitrary decisions arrived at in secrecy.

I am not implying for a moment that if a periodical or publication attacks the government or its decisions, the present Minister of National Revenue would even be tempted to make a ruling which would make it difficult for that periodical to continue operating; but another minister might do it.

● (1510)

In any event, that idea at least must always be somewhere in the mind of the publisher of the periodical.

We are dealing with the freedom of the press. I am not now making the charge of censorship that is frequently made against those who are sponsoring this bill. However, I am saying that any process tolerated by parliament which allows decisions to be made by a minister in private, decisions that can affect the very viability of the publication and could, therefore, impinge upon the freedom of speech in this country, ought not to be tolerated.

Some hon. Members: Hear, hear!

Mr. Stanfield: I recognize that in connection with radio and television, the CRTC is following a policy involving the determination of Canadian content. The CRTC lays

down rules about what proportion of the programming has to be Canadian content; it determines what it will accept as Canadian content. I am not happy about this set-up. I am not happy about the fact that television and radio stations have to renew their licences every two or three years. I would think that in the six-month period before a licence has to be renewed, the owners of those stations are perhaps a little nervous about the CRTC's attitude. They might be inclined to be a little careful about what they put on their stations during that period. I emphasize that I am not suggesting any improper motives as far as the CRTC is concerned; I am just saying that it is an unfortunate to situation. There may be no way of avoiding it.

In any event, at least as far as radio and television are concerned, the affairs are being handled by what I think can properly be referred to as an independent commission. It holds hearings and makes decisions only after the holding of those hearings. It is totally different process from the secretive way in which the Minister of National Revenue works; for example, it is totally different from the way in which the Minister of National Revenue handed down the recent ruling with regard to *Reader's Digest*.

I have to say to the minister, because I want to be frank with him, that there is a general feeling in the country—and it is not unreasonable—that in making that recent ruling with regard to *Time* and *Reader's Digest* the minister was responding to pressure placed upon him to find some way in which to permit a popular publication to continue. He was pressured into finding some way to prevent the legislation presented by the Secretary of State (Mr. Faulkner) eliminating *Reader's Digest* from Canada. Fond as I am of him, there is no way in which this minister, particularly as a result of the secrecy surrounding these proceedings, can persuade the people of Canada that he has not been influenced by pressures of public opinion.

As parliamentarians, we have to ask ourselves whether we are going to permit the Minister of National Revenue to interpret a very simple phrase, consisting of two or three English words, in a manner in which nobody would think it could ever be interpreted. That is the first point. Second, we have to ask ourselves whether we are going to permit the Minister of National Revenue, in private, without any public hearings, to make rulings regarding the viability of periodicals in this country. If there is to continue any such process as this, are we going to at least insist that any such decision be from the hands of an independent tribunal, and made only after public hearings?

I am not arguing in favour of a content rule. However, if we are to have a content rule and if we are to continue with substantially the same concept, the meaning of "substantially the same" cannot be tortured as the minister is torturing it. If, in this House, the majority feels that something must be done to help Canadian periodicals—and I certainly favour that—we cannot allow the process of liberal democracy to be subverted in this way. We cannot continue to allow decisions of basic importance to the press, and therefore to the freedom of speech in this country, to be made secretly by a minister rather than after public and due process of hearings.

Some hon. Members: Hear, hear!

[Mr. Stanfield.]

Mr. Stanfield: I do not say this by way of threat, Mr. Speaker, but I may have something more to say about it before the debate finishes. However, last Friday and this afternoon I wanted to make these two quite simple points which I believe are very basic. I thought the minister was going to say something on Friday. I hope he says something this afternoon. I hope he answers the questions asked as to, for example, how long the publishers of periodicals have to meet the requirements of any law that is eventually passed by this parliament. There is nothing very specific about this. I do not see what defence the minister can make about this way of proceeding, or what he can do to eliminate the suspicion that exists with regard to the ruling in favour of *Time* and *Reader's Digest* to show that it was not the result of pressure.

Some hon. Members: Hear, hear!

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, it is always a pleasure to follow the Leader of the Opposition (Mr. Stanfield). It is always a tough act to follow because his questions are very pertinent. However, I just wish he had his facts a little more clear. Taken altogether, it was a pretty good speech on Friday afternoon and today. When it hurts, we pay a little bit of attention to it.

Mr. Baker (Grenville-Carleton): That is why you are on your feet.

Mr. Cullen: I am speaking as a courtesy. Questions were not only asked by the Leader of the Opposition, but last week by the hon. member for Fundy-Royal (Mr. Fairweather) and the hon. member for Sault Ste. Marie (Mr. Symes). During the past days of debate many points have been raised by hon. members which have been dealt with, I hope, patiently and at length by both the Secretary of State (Mr. Faulkner) and myself. Certain areas, however, continue to be of concern. These were outlined on Friday by the hon. member for Sault Ste. Marie. I will attempt to deal with the specific questions he raised then, hoping thus to put to rest much of the concern and criticism that surrounds this bill.

First, on the question of licensing. It is clearly stated in the act that to qualify as a Canadian periodical a magazine must not be "produced or published under a licence granted by a person who produces or publishes issues of a periodical that are printed, edited or published outside Canada". The hon. member for Sault Ste. Marie asks me to state for the record that *Reader's Digest* will be required to change its existing licensing arrangement with the parent company in the United States in order to qualify as a truly Canadian magazine. I can only reply that if *Reader's Digest* Canada continues to publish in Canada and qualify as a Canadian periodical as they have announced they will do, it is because they have decided to meet all the criteria to qualify, including the necessity to be free from publishing under a licence.

● (1520)

Reader's Digest obtains the sole rights for reproduction of previously published material from periodicals around the world. For *Reader's Digest* to reproduce any of this material it must work through its American counterpart. The hon.

member suggests that the use of the pool is, in a sense, a form of editorial control by Reader's Digest, Inc. If *Reader's Digest* Canada wishes to publish such an article it must carry out in Canada, under Canadian editorial control, all of the required condensation and editing to permit it to count in the "80 per cent different" provision. There is no outside editorial control exercised here. The Canadian magazine must remain as free to choose or not to choose articles through the Reader's Digest, Inc. pool as it is to choose or not choose articles from any other periodical. Choice, condensation and editing remain in Canada.

The use of this pool does not jeopardize real operational control over the Canadian magazine which, under the law, must be 100 per cent printed, edited and published in Canada. True, this pool is a market advantage for *Reader's Digest* Canada, as far as contacts go, over any other digest that may wish to set itself up in competion. The point is, we are talking about an advantage for a Canadian magazine—75 per cent Canadian-owned, produced and published in Canada, free from a licence and reproducing only 20 per cent from other periodicals with which it has a continuing arrangement.

The hon. member went on to ask about rates. *Reader's Digest* Canada will be paying the going rates for material obtained from the pool. The United States company no longer controls the Canadian company. This will be subject to review by two tax authorities, Revenue Canada and IRS, who may exchange information under the Canada-U.S. tax treaty. In addition to the tax authorities, any deliberate use of inappropriate rates could result in the directors of the corporations being vulnerable under security regulations or to their shareholders.

The question arises as to how other periodicals, two in particular, will be affected by this clarification of my interpretation. *MD of Canada* may follow the same route as that taken by *Reader's Digest* Canada if it is feasible within its mode of operation. If it finds it can meet the content criteria it must also, of course, be 75 per cent Canadian-owned, be free of a licence and be published, produced and edited in Canada. Whether *MD of Canada* is prepared to meet these criteria or not, I do not know. My information is that *Time* Canada does not obtain third party material through *Time* U.S.A. Rather, I understand, it obtains material editorialized by *Time* U.S.A. Hence, it would not include this material in the "80 per cent different" provision. *Time* Canada, like *Reader's Digest,* may take up 20 per cent of its content from material originated by, condensed by or first published in *Time* U.S.A. or Reader's Digest, Inc. To use more than 20 per cent of this material would disqualify that periodical as a Canadian magazine. I trust these specific points will reassure the hon. member and other members of the House that the intent of the government remains firm: to qualify for a Canadian tax advantage, a periodical must qualify as a Canadian magazine.

The Leader of the Opposition has talked about the role of the Minister of National Revenue in dealing with interpretations. I ask him: What is the role of a responsible minister of national revenue? Does one simply ignore the individual who asks for clarification of an interpretation; does one ask him to make up his own mind and take it through the court process; or does one meet with these people, as I do on an almost daily basis, sometimes at the request of members on this side of the House, sometimes at the request of members who sit on the other side, and sometimes at the request of the individuals themselves? Surely this is the course which should be taken by a responsible minister of national revenue if he does not wish to get into some form of confrontation or appear arrogant by saying, "The words speak for themselves. You interpret them and make up your own mind."

I would agree with one of the approaches made by the Leader of the Opposition. He indicated that there is enough cynicism in the country to suggest that the Minister of National Revenue responded to pressure. I prefer to think that we looked at the merits of the case, that we took into account public opinion as expressed both in this House and outside that we issued a clarification, an interpretation. I submit this is, surely, a responsible role for the Minister of National Revenue to play. It is not a question of hiding in the bushes or of operating from a hole in the wall or a smoke-filled office, as I believe he suggested. I might say that I am non-smoker and there is no smoke-filled office out of which I operate. I believe the minister of national revenue has an obligation, indeed a responsibility, toward the taxpayer where there is some confusion or some further information required, or clarification of an interpretation. If a minister of national revenue is not prepared to do that, then I say, with respect, he is arrogant.

Mr. Fairweather: The minister has not yet answered my question.

Mr. Cullen: The hon. member asked how long these periodicals would be given to adjust themselves to the new situation. I am advised that if a magazine fulfils all the conditions of eligibility during the 1976 taxation year, it will have qualified as a Canadian magazine within the meaning of the act.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, at the outset I might say I felt the speech of the Minister of National Revenue (Mr. Cullen) was important because of the questions he did not answer rather than the ones he did. I should like to put my speech in proper perspective in reference to motion No. 4. moved by the Liberal member for Ontario (Mr. Cafik) and the amendment moved by the hon. member for Vancouver-Kingsway (Mrs. Holt). This is the amendment to which we are addressing ourselves today and I would read one paragraph of it as follows:

> Notwithstanding the provisions of this act or regulations, a periodical shall be deemed to be a Canadian issue of a Canadian periodical if 75 per cent of its directors and ownership is Canadian and its editing and publication functions are controlled and conducted in Canada and not more than 40 per cent of its content, excluding advertisements, were first published in a single periodical outside of Canada.

It is content to which I want to direct my remarks. I want to congratulate the other Liberal member for making the amendment because as I understood it, just before she moved her amendment—and I listened very carefully to her remarks—she said she was really unhappy about whether the deal was 80 per cent, 75 per cent, 50 per cent, 40 per cent or only 1 per cent. She does not want that kind of censorship or that kind of control, particularly when control is to be exercised by the minister or the officials of the Department of National Revenue, who are always subject to change. Ministers are subject to many changes and,

of course, people in the public service are subject to change. So the rules will change from time to time, and I can understand the hon. member for Vancouver-Kingsway moving her amendment as follows:

That motion numbered 4 be amended by striking out all the words in subclause (2) after the words "conducted in Canada."

● (1530)

Over the Christmas recess I picked up several periodicals wherein I was attacked by the Secretary of State (Mr. Faulkner)—I am sorry he is not here this afternoon—for the speech that I made on second reading when I put the position pretty bluntly and meant to do so. Perhaps it is time to review what I said. I have listened to all the arguments, and they really boil down to a very simple formula. What the government is trying to do under the guise of a tax measure is to determine what I shall read, what members of the House shall read and what the Canadian people shall read. I feel very deeply about this.

Going back over history, some of us have lived during periods when dictatorships were set up which committed heinous crimes. If those countries had had freedom of the press, then those dictatorships would have been undermined instead of flourishing as they did and eventually bringing about the horrible Second World War. I said this in my second reading speech, and the Secretary of State took great exception to it:

I came here this afternoon because I am pretty concerned that by means of a tax measure we have brought censorship into this country.

My point is that over time the minister and his officials will be able to control content, which is a form of censorship. No one has satisfied me that that will not be so. I went on to say this:

One of the most fundamental freedoms of all is surely freedom of speech. From freedom of speech flows democracy; and freedom of the press, of course, follows from that. It might be a good idea for my hon. friend who says, "Oh, no" to look at chapter 44 of the Revised Statutes of Canada and read section 2 of the Canadian Bill of Rights, which crystallizes the common law not only of the Commonwealth but particularly the law that we have inherited in statute form through our constitution from the British system.

I maintained that if this bill was passed it would mean some form of censorship. I now want to refer to a case that is well known in my province. It was referred to, by the way, Mr. Speaker, in an article in the *Globe and Mail* on February 7 last. I know the rules of the House do not allow me to read an editorial, so let me paraphrase it. The editorial seems to be repeating what I said previously, putting a little more meat on the bones. According to the *Globe and Mail,* when you leave to the discretion of officials in a department or a minister what amounts to Canadian content, and then above all make exceptions of the kind alluded to so ably by my leader today, such as *Reader's Digest* and *Time,* then surely that is some kind of censorship. That is what the *Globe and Mail* says, and if the *Globe and Mail* supports my argument in this regard then I must be on sound ground.

Let me refer the House to the Alberta statutes case which came before the Supreme Court of Canada in 1938. Judgment was given by Chief Justice Duff and there was also an able judgment given by Justice Cannon. Basically, Mr. Speaker, what the Alberta government had tried to do under Aberhart was this. Aberhart was taken on by the daily and weekly newspapers which cartooned him to death. They painted him as a lumbering bear, and because they always thought he had a very good appetite they used to portray him eating five or six steaks at a time. He was criticized for practically everything he did. Aberhart was a leader who came out of the radical groups in western Canada at that time and who had threatened to take over the banks and mortgage companies. No paper supported him and the editorial writers in particular took after him. I cannot recall any other man in public life who was taken after by the media as badly as he was.

He therefore set to work with his advisers and drafted a bill that would protect all members of the legislature and those in other institutions who apparently supported his viewpoint. Under this bill, any attack made by a newspaper editorial or by the media would be referred to a board. It was a very prejudicial board, Mr. Speaker, because it was the Social Credit board who decided who could run and who could operate the government. The bill provided that if this board should find that there had been a scurrilous and unfair attack made on the government, that the facts had not been properly weighed and or had been misrepresented, then the board could suspend publication of the newspaper in question for two or three weeks and could subject it to other penalties. The matter came before the Supreme Court of Canada. My hon. friend for Bruce-Grey (Mr. Douglas) probably knows the name of it, but there were two questions in the case: the first was whether the matter fell within provincial jurisdiction; the second was whether the act could be passed at all as a means of censorship.

Mr. Douglas (Bruce-Grey): It has absolutely nothing to do with this bill.

Mr. Woolliams: Perhaps the hon. member would listen to me for a moment, as I know he always likes to ask questions. I listened very intently not only to those on his side who support the government, but also to the very learned member for Vancouver-Kingsway and the hon. member for Ontario, and I know there are others in the back benches of the Liberal party who are no more happy about this legislation than I am. Whenever you get a division in the Liberal party, Mr. Speaker, the disease that strikes them must be pretty serious because they generally agree. Having dealt with the facts of the case, and after dealing with the essentials—traditional freedom of speech, freedom of the press and whether it was within the ambit of a provincial jurisdiction to pass an act that would be common to all Canadians, which would really put it under federal jurisdiction—the then chief justice said this:

The legislation now under consideration manifestly places in the hands of the chairman of the Social Credit Commission autocratic powers which, it may well be thought, could, if arbitrarily wielded, be employed to frustrate in Alberta these rights of the Crown and the people of Canada as a whole. We do not, however, find it necessary to express an opinion upon the concrete question whether or not this particular measure is invalid as exceeding the limits indicated above.

However, they found that the authority had been placed with the board. So far as Canadian content is concerned, it has been emphasized by many speakers, and cannot be overemphasized, that it is a very dangerous precedent to place this kind of power in the hands of public servants. We have seen the Minister of National Revenue (Mr.

Cullen) change his attitude toward *Reader's Digest*, using a different kind of discretion, one not spelled out by the law. The only protection that we have, whether in regard to freedom of speech, freedom of the press or any of the freedoms outlined in the Canadian Bill of Rights, is that afforded us by the law. It is only the law that protects us from autocratic government and authoritarianism. I say that as soon as discretion is handed to a public servant or to a minister, we are in trouble. As soon as we give discretion to officials to decide what constitutes Canadian content, we are letting them determine what we in Canada shall read.

Let me refer to what Mr. Justice Cannon said about the Alberta situation. I think it has a lot to do with this bill, if my hon. friend from Bruce-Grey will just give me a little time. Mr. Justice Cannon said:

● (1540)

The bill does not regulate the relations of the newspapers' owners with private individual members of the public, but deals exclusively with expressions of opinion by the newspapers concerning government policies and activities.

I want to emphasize that the kind of Canadian content decided on by the minister may be decided on the basis of political philosophy, or it may be the content emphasized by the Prime Minister (Mr. Trudeau) during a Christmas recess and therefore not subjected to the views of the other side. I do not want to see that happen, as a Canadian or as a member of parliament. The quotation continues:

The pith and substance of the bill is to regulate the press of Alberta from the viewpoint of public policy by preventing the public from being misled or deceived as to any policy or activity of the Social Credit government and by reducing any opposition to silence or bring upon it ridicule and public contempt.

I have not made this charge but it is one that concerns me. There are others who have suggested that this legislation may have been motivated by some people because of the influence of *Maclean's* magazine or the editors. I do not know whether that is true; but surely, as Canadians, we have and want the right to read these magazines, including *Time* and *Reader's Digest*. We do not want other people deciding what should be the content of these magazines. This is a very dangerous precedent. Wherever we have seen freedoms taken from people, the first rights that have been taken are the rights of the people to speak freely, that is, to speak their piece, to sing their piece or to print their piece. I continue reading the quotation:

I agree with the submission of the Attorney-General for Canada that this bill deals with the regulation of the press of Alberta, not from the viewpoint of private wrongs or civil injuries resulting from any alleged infringement or privation of civil rights which belongs to individuals, considered as individuals, but from the viewpoint of public wrongs or crimes, i.e., involving a violation of the public rights and duties to the whole community, considered as a community, in its social aggregate capacity.

It goes on to deal with exactly what I am thinking of this afternoon. Mr. Justice Cannon then stated:

It appears that in England, at first, criticism of any government policy was regarded as a crime involving severe penalties and punishable as such; but since the passing of Fox's Libel Act in 1792, the considerations now found in the above article of our Criminal Code that it is not criminal to point out errors in the government of the country and to urge their removal by lawful means have been admitted as a valid defence in a trial for libel.

So even until 1792 it was considered somewhat of a crime to criticize the government. We only have to look to the U.S.S.R. to see how many writers have been forced to leave that country and take up residence in countries in the western world because they wanted to challenge the government. We only have to consider the dictatorships of Hitler and Mussolini, or any other dictatorship for that matter, to see that the first thing they do is adopt a policy of censorship of the press. We all know what happens to anybody who criticizes the government of the U.S.S.R. today. We must be wary whenever this seed is planted, germinated and begins to flourish, because we know it will grow into a big tree, taking away our freedom of speech, our freedom to think as we like and our ability to read whatever we wish. That is why I am against this kind of censorship, particularly under the guise of a taxation law.

We believe that Canadians should benefit from taxation in respect of magazines which are printed here or elsewhere but contain advertising paid for by those periodicals—and I have never argued with that idea. However, if we are to have rules, under the guise of taxation, regulating what I shall read and what Canadian people generally shall read, then I think this smacks of some form of censorship and leads to a totalitarianism of the kind I shall oppose at all times. It might be of interest just to read what has been said about these freedoms by other people. William Allan White once said:

You say that freedom of utterance is not for time of stress, and I reply with the sad truth that only in time of stress is freedom of utterance in danger... Only when free utterance is suppressed is it needed, and when it is needed it is most vital to justice.

Let me read another line by Adlai Stevenson, who said:

The first principle of a free society is an untrammeled flow of words in an open forum.

William Allan White also wrote the following:

Put fear out of your heart. This nation will survive, this state will prosper, the orderly business of life will go forward if only men can speak in whatever way given them to utter what their hearts hold—by voice, by postcard, by letter, or by press. Reason never has failed men. Only force and oppression have made the wrecks in the world.

That is what you have to guard against. Let me now deal with something that concerns me greatly. I believe this bill was brought in under the guise of a tax bill. I believe the main principle is to control, what people read, and that seems to be a violation of the Bill of Rights. If you read these cases in respect of freedom of speech, you will find that they spell out very clearly what is a freedom. The bill in 1938 was declared by the judge to be ultra vires. These freedoms are spelled out pretty clearly and thoroughly in our Bill of Rights. I wonder if the minister cleared this particular bill with his legal officers; and if he has, can we accept the opinion of those officials of his department? Many times they have given the government advice and the courts have thrown out that advice and the case of the Crown. Our Canadian Bill of Rights states in part:

It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms,

Then it spells out some of those rights, which include freedom of speech, freedom of assembly and association and freedom of the press. The last one is a very important freedom. Surely it is a fundamental freedom for the press

and the media to always keep the people informed of what is going on. Surely that is a check on the democratic process. In this way we keep the public informed of what their elected representatives are doing here, what the government is doing and what the public servants are doing. Only through a free media can we accomplish this.

I think it was the hon. member for Vancouver-Kingsway who said she is always greatly concerned when people begin to tell us what we shall read, what we shall not read and whether it shall be 1 per cent, 20 per cent, 40 per cent, 50 per cent or 70 per cent Canadian content. After all, who makes the decision? The decision should be left to the freedom of the people. We should leave it to the freedom of the press, because we have enough protection in the rules of libel and slander.

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member, but his time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Woolliams: Thank you, Mr. Speaker. I shall try to be brief. I maintain you cannot do indirectly what you cannot do directly. This press control is being attempted under the guise of narrow nationalism. Nationalism is of great benefit if it is used in the right way, but we have seen what uncontrolled nationalism has done in dictatorships. This control of the press is being done under the guise of fair taxation law. We have this control of content, and that is where the government and I part. Why should a few bureaucrats decide what we should read and what we should know? The law must be clear and free of ambiguity, and known to be free by all of us. That great parliamentarian, Mackenzie King, said that the law should be known to all Canadians as they sit, as they walk and even as they go to bed to sleep.

This law leaves a discretion with the minister. This discretion relates to the amount of Canadian content, and we all know the difference of treatment in respect of *Time* and *Reader's Digest*. In this way, I suggest that the discrimination is in fact ambiguous in the law. This is rule by the people, and not rule by the law. Any time you have rule by the people, and not rule by the law, you must look out because our freedoms are in sorry shape. If you give this government the power over the press and the power to be more authoritarian than even this government has asked for, then God help us in Canada.

● (1550)

To my mind the Bill of Rights has been breached. This is no tax measure. It is a measure to control content and what the public will read. We should fight this measure to the end. I am not frightened of the word "filibuster". Many people fear that word because filibuster is something which has been used in this country and in every parliamentary system. There comes a time when freedom is at stake, and at such a time, any tool that parliament can use to kill a bill should be used; and this is a bill which should be killed.

While you and I, Mr. Speaker, and while members of parliament and the people of Canada have lips and voices with which to sing and speak, are able to refer to modern technology, and have hands with which to write, why should any power block our right to sing, to say what we think and to record and to print? In respect of this measure, I say God help us if this is the role the government has chosen to control what people will read, record, say and sing in Canada.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, first may I say it is an unusual pleasure for me to be supporting an amendment set down by the hon. member for Vancouver-Kingsway (Mrs. Holt). At the same time, I should like to say how pleased I am to see so many Liberal members from our native province in the House today. During the question period I noticed there was a very good turn-out. I am puzzled whether they are here to support the amendment of the hon. member for Vancouver-Kingsway or because they wish to avoid the visit of the Prime Minister (Mr. Trudeau) to the province of British Columbia.

I am pleased to support this amendment. On November 17 last I had a few words to say concerning the position taken then by the hon. member for Vancouver-Kingsway. I am sorry if I questioned her sincerity at that time, because it is now obvious, even to those of us with a most partisan outlook—

Mr. Deputy Speaker: Order, please. The Parliamentary Secretary to the Minister of Indian and Northern Development (Mrs. Campagnolo).

Mrs. Campagnolo: Mr. Speaker, I feel I should rise on a question of privilege, because I am here for neither reason the hon. member states but to do my duty to my constituents. I take issue with him for saying we are here under duress.

Mr. McKinnon: Mr. Speaker, I am astonished at such sensitivity. I never dreamed I would witness it on the part of the hon. member for Skeena (Mrs. Campagnolo). Apparently she thought I had used the word "duress". I do not know what word I used which would lead her to make that assumption. I do not think she would ever come here under duress. Her attendance here is regular. I repeat that I am pleased to see so many members here from British Columbia. There is probably an equal number of Liberals here and in British Columbia at the present time.

I particularly enjoyed the speech made on Thursday night by the hon. member for Ontario (Mr. Cafik). It is very refreshing to hear such independent speeches from members on the opposite side. I also appreciated his reference to the hon. member for Vancouver-Kingsway, because she brought to the subject her knowledge and background as a journalist. This was very refreshing in this debate which seems to be one largely conducted by lawyers and politicians, not too many of whom have an intimate knowledge of the workings of journalism in Canada today.

The Minister of National Revenue (Mr. Cullen) has come out of this not looking too well. Quite recently he joined the cabinet with the best wishes of the opposition. We appreciated him very much as parliamentary secretary to the former minister of finance. I particularly recall the stalwart defence he put up for the minister's policies during the last budget debate and during the proceedings on the bills which flowed from that budget. He went to the

job with the very best wishes of the opposition, but unfortunately he has found himself caught in some kind of an impasse with the cabinet, I presume, in which he has been required to back track on issue after issue. I am sorry he got off to such a bad start.

Of course, if one wishes to join what was recently described in Europe as the Government of Canada being a ship of fools commanded by Captain Kangarroo, then one must expect to look like a fool himself. When this bill was first brought in by the Secretary of State (Mr. Faulker) it was suggested that 50 per cent would be what they were looking for in the way of Canadian content. Then it was 60 per cent, and later 80 per cent. At one time it appeared it would go to whatever extent necessary to ensure that *Time* magazine did not publish in Canada. These are not the reasons which should be behind an attempt to eliminate *Time* magazine from Canada. The reasons should be economic or national pride, and not merely to ensure that Canadians do not read *Time* magazine.

I hate to think what we would read if we did not read *Time* magazine. I refer to the general public of Canada. Up until recently, *Time* magazine has provided us with the type of writing which Canadians read. Many people may prefer to obtain their world news from other magazines, but the average Canadian prefers the conciseness of *Time* magazine. I like the *Economist*, but usually it arrives quite a while after world events have happened. While it might be authoritative and better researched, it arrives late. Not everybody reads such a magazine, in any event.

I should like to speak for a few moments about the unknown regulation which will be at the whim of the Minister of National Revenue concerning what will be Canadian content and how much of it there must be. I shall refer to this a little later and show a similarity to another well known organization. This will show the effect what has gone on here has had on parliament. When we were drawing up laws to govern the publication of two American magazines in Canada, suddenly we walked into this House and were informed by a press release from *Reader's Digest* that we could pack it up and go away, or do something else, because they had talked to the officials in the Department of National Revenue and the problem no longer existed. This certainly downgrades Parliament to an extent which I consider reprehensible.

I should like to read an excerpt from *Hansard* which described the position I took at that time. I refer to *Hansard* of November 17, 1975. What I was saying at that time was in conjunction with a letter sent out by the hon. member for Vancouver-Kingsway, the sponsor of the amendment. I am referring to page 9130 of *Hansard*. This letter stated:

> There has been an attempt by certain people—in some cases misinformed and in others deliberate distortion—to convince the public that *Reader's Digest* is subsidized by the government. This is not so. It is simply a case of allowing free choice of advertisers in Canada by which to sell a product.

The hon. member went on in the letter to say:

> I also prefer *Time* over *Newsweek*, *U.S. News* and *World Report*, etc., for the same reason; *Time* provides a good, concise, objective record of international news along with well written, depth-packed reports of Canadian interest. Personally, as a writer, I fear the action to eliminate a market for writers and allied industries, especially beginners in this field. If *Reader's Digest* closes out in Canada, this could eliminate jobs in Vancouver and Montreal, lose $5.2 million in salaries for 450 Canadian employees (including $700,000 in fringe benefits and $600,000 in profit sharing); $22 million in trade with Canadian suppliers; $1.6 million in taxes; $3 million in first class postage (not counting the magazine distribution itself). The company has $8 million invested in office, printing presses and other capital equipment in Canada.

● (1600)

If we do not accept this amendment, we will be at the mercy and the whim of the Minister of National Revenue, not this month or next month but every month in the future. I think it is a most unsatisfactory situation to try to conduct business under such regulations. Let us look at the alternative which has been sponsored indirectly by the government, that is, *Maclean's* magazine. First, I should like to say that I have read *Maclean's* all my life. I have never lived in a home without *Maclean's*. I was raised on the western prairies where we had certain basic precepts. We cheered for the Toronto Maple Leafs, we voted for the west in the Grey cup, we voted Conservative, and we read *Maclean's* magazine—not necessarily in that order. Sometimes, particularly of late, it has become more and more difficult to read *Maclean's* magazine. I should like to say that this bill is sometimes known around Canada as the Maclean-Hunter monopoly bill. It seems to me to have a political bias.

I looked over the last issue of *Maclean's* rather carefully. On the cover we have a picture of the Prime Minister with the words underneath reading "Our man in Havana". Certainly they have every right to refer to him as "Our man" if they get this bill through without any amendments. On page 1 the Progressive Conservatives are mentioned under the title "Bloody Sunday", where reference is made to our leadership election in two weeks. If we look for world news in this magazine, we will not get much if we do not continue to get *Time* magazine. On page 14 we read "All the muck that is fit to rake: the truth hurts more when it comes too late"—all about the love life of John F. Kennedy. On page 17 in the preview we have pictures of two Americans and one Canadian. On page 19 there is a cartoon of the Prime Minister. On page 20 there is a picture of the Minister of Consumer and Corporate Affairs (Mr. Ouellet). On page 22 they even it up by bringing in the Progressive Conservatives in a derogatory article on Alberta.

An hon. Member: Shame!

Mr. McKinnon: On page 23 they have two pictures of the Prime Minister.

An hon. Member: "Our man" in *Maclean's*.

Mr. McKinnon: On page 30 there is an article on Rich Little which may be considered as Canadian content. I do not know, because he has been away for a quite a while and is doing well in the United States. On page 34 we have the article I mentioned, entitled "Bloody Sunday", about the Conservative leadership convention. Then we come to page 41 where we find world news. And this is to replace *Time* magazine! There are only three pages in this periodical dealing with world news. The first one is entitled "The World—Mr. MacEachen goes to Paris . . . and Cairo . . . and Tel Aviv", and there is a very large picture of the Secretary of State for External Affairs (Mr. MacEachen) seated on a

camel. I do not know which one looks more uncomfortable and embarrassed.

The world news on the next page refers to quintuplets being born in Holland, again, I suppose, to educate Canadians. Then we have a derogatory article on the CIA in Washington which has been printed in one form or another dozens of times. On the next page we read about Italy in a very interesting article which says that the communists are projecting a moderate and thoughtful approach to Italy's many problems. It states:

> . . . the communists have seen their portion of the popular vote increase steadily in every election since 1948, the year after they were thrown out of power.

This is rather peculiar, because the elected people in Italy in the period between 1946 and 1948 were not elected in the way we know it but were elected to a constituent assembly. When the constituent assembly drew up the regulations for the next vote, the communists were into a minority and the majority was given to the Christian Democrats. Then we come to page 46 where, I must confess, I have found an author that I certainly enjoy, namely, John Robertson who seems to me to be a superb writer on sports. I am glad to see that he is included in *Maclean's* if we have to read it in lieu of some other magazine which we may prefer to read. There is a page on business which contains an article headed "How big oil provides for its friends in high places", and I see pictures of Senators Godfrey and Connolly under which is written "It's great to be a Liberal in the internal combustion age".

From what I have said about *Maclean's* magazine it is not difficult to see why there is concern about that magazine replacing *Times* magazine and giving Canadians an opportunity to find out what is going on in the world. This is borne out by the Victoria *Times*, a newspaper on the west coast which had the dubious honour of being declared one of the only two English speaking newspapers which supported the Liberals in the last election. An article in the newspaper states:

> If the federal government hadn't already made a martyr out of *Time* magazine with its clumsy Canadian content rules and bull-headed indifference to all arguments on the crucial issue at stake . . .surely it has convinced any doubters with its curious decision now to exempt the *Reader's Digest*.

It goes on to deplore the government getting into the sticky grey area of defining what is and what is not Canadian content. In conclusion, I should like to recommend to anyone who likes reading George Orwell—which I do—his book "1984" in which he points out that in 1984 the government will have only four departments, one of which will be the ministry of truth, which exactly fits the description of the Department of the Secretary of State. I should like to quote a few lines from this book on the ministry of truth. They read:

> —the ministry of truth, whose primary job was not to reconstruct the past but to supply the citizens of Oceana with newspapers, films, text books, telescreen programmes, plays, novels—with every conceivable kind of information, instruction, or entertainment, from a statute to a slogan, from a lyric poem to a biological treatise, and from a child's spelling-book to a Newspeak dictionary.

This sounds exactly like the Department of the Secretary of State. It goes on:

> And the ministry had not only to supply the multifarious needs of the party, but also to repeat the whole operation at a lower level for the benefit of the proletariat. There was a whole chain of separate departments dealing with proletarian literature—

That is the CBC

> —music, drama, and entertainment generally. Here were produced rubbishy newspapers containing almost nothing except sport, crime, and astrology, sensational five-cent novelettes, films oozing with sex, and sentimental songs which were composed entirely by mechanical means on a special kind of kaleidoscope known as a verificator.

I do not know where the Secretary of State thinks he is going—he was referred to as an school teacher by the hon. member for Vancouver-Kingsway—but we will be getting closer to "1984" if this bill is allowed to pass. I recommend highly to the House that it seriously consider the amendment put forward by the hon. member for Vancouver-Kingsway and either support it or, better yet, throw out the whole bill.

● (1610)

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege to be able to participate once more in this debate and to commend the hon. member for Vancouver-Kingsway (Mrs. Holt) on her amendment, which I support. It is now becoming quite clear that Bill C-58 is nothing but a device for getting rid of the Canadian edition of *Time* magazine. While I am pleased, as are most people in Canada, that *Reader's Digest* will continue to publish its Canadian edition, I think the Secretary of State (Mr. Faulkner) has proved beyond the shadow of a doubt that he and the Minister of National Revenue (Mr. Cullen) are charged with shutting down *Time* magazine.

I am not sure how successful they will be and whether any deals are involved. I endeavoured to get information from officials at *Reader's Digest*, but they were very reticent. When the press release was issued by *Reader's Digest* stating that they were willing to live with the new rules and would continue to publish, it came as a bombshell to most of us with the exception of the Minister of National Revenue. I have no idea what kind of statements or deals were made. I give the Minister of National Revenue credit for listening, reading, or at least being informed of the speeches during this debate in defence of *Reader's Digest* and *Time* magazine. There has been a great deal of comment in the media, particularly the press, and as a result of all this the minister has made some changes. The leader of my party made some rather strong comments this afternoon but, Mr. Speaker, I say more power to the minister for going as far as he has.

When it comes to playing with figures such as this 80-20 deal, I think many of us are worried about the power which lies with the mandarins: that is why the amendment of the hon. member for Vancouver-Kingsway deserves consideration. There is no doubt that *Reader's Digest* was coaxed a little, but in the end they made the decision. What the government has done to *Reader's Digest* can, and will, happen again in Canada. I do not believe, and I do not think anyone else believes, that the government would go to all this trouble to scuttle *Time* magazine, to shove *Reader's Digest* into line, and then let the matter lie. There is a lot of discretionary power in the hands of the Secretary of State and the Minister of National Revenue. After their performances in this House in regard to this bill, I wonder how much either of them can be trusted to exercise discretion in the use of this awesome power.

No one in this House, and very few people in the country, will believe that Bill C-58 was designed to protect Canadian magazines from foreign competition. It has been established that competition from *Time* and *Reader's Digest* has had no effect at all on the other magazines. We know that those advertisers who will lose out on their *Time* magazine audience will certainly not go to *Saturday Night* or *Maclean's* magazine.

Although I cannot go along with Bill C-58 because it seeks to introduce government censorship of the media and government intervention in the area of editorial content, I have to go along with the amendment that seeks to lower the requirement for material to "not substantially the same". I know that this bill will pass even though there is a great deal of resentment in the government benches against it, so I have to be willing to take half a loaf. Even if we lowered the requirement to 50-50 it would still amount to substantial government interference and government censorship of the press, and I do not think many of us are interested in seeing that happen.

We know from experience with censorship in other countries that censorship does not promote a higher level of professionalism. Indeed, it has the opposite effect; it promotes mediocrity. Writers and editors who cannot find their niche in a free media market will favour censorship because that would be the level at which the media would be pitched. Every great writer who has emerged from the controlled press behind the iron curtain is not considered great on the basis of literary merit. Those who have become best sellers on this continent have become so because they have written so tellingly against the system in which they have had to work. The latest is Zakharof. I wonder if the Secretary of State is trying to establish an environment for writers along the lines of those in the Soviet Union and other iron curtain countries.

I have been checking press reports, as I know other hon. members have. The hon. member for Ontario (Mr. Cafik) said on CFCF radio on February 4:

I don't think it achieves the objective of assisting our publications and I am going to vote against the bill in any event. But, I am very concerned that at least we have accommodated one of my concerns in connection with republication operations.

The Secretary of State was interviewed by CBC radio the same day, and he said:

Well, because *Reader's Digest* took a decision yesterday, a very important decision to conform to the law. I have always said that that was an option of both *Time* and *Reader's Digest* and any other magazine affected that they could either conform to the law, in other words, operate under the '65 law as all Canadian magazines are obliged to do or send in their foreign edition. Now *Time* has not decided to do that and I understand *Time's* difficulties but *Reader's Digest* has. Now, we are not making any special consideration giving a special break to *Reader's Digest*. They decided to conform to the law.

The commentator questioned the minister further on the 75 per cent ownership question. I might say, Mr. Speaker, that we all agree 75 per cent ownership is in order and we are in favour of it. The minister made the following statement with regard to *Time*:

That is something that really is in the hands of Mr. Cullen. But, as I understand it, it would probably be interpreted like most tax laws are.

I was delighted to hear the minister state today that as long as a magazine conforms to the law any time up to December 31, 1976, it will be considered to have become Canadian. He cited the example that if you get married on December 29, you are considered to have been married for that entire calendar year for tax purposes. I should like to refer, also, to the comments of Gordon Sinclair who is, I believe, the son of that very eminent writer and news commentator on CFRB whom a great many people in Ontario listen to at every opportunity. On CFCF radio on February 4, Gordon Sinclair stated:

For months I have been saying and believing that the legislation being passed in Ottawa requiring that publications be 80 per cent Canadian content in order to be considered Canadian was discriminatory and immoral and was being rammed through parliament for one reason only, to get rid of the Canadian edition of *Time* magazine. By the way, if the rule was scrupulously enforced, they might get rid of most Canadian newspapers as well.

An hon. Member: Not a bad idea.

Mr. Darling: Mr. Speaker, I think many hon. members would agree that outside of the advertising, our daily papers do not carry Canadian news so much as news that is worldwide, particularly that concerned with our neighbour to the south, and this is probably as it should be. Gordon Sinclair continued:

● (1620)

The ruling stinks. It is trickery and the government should not play tricks.

Mike Donegan of CFCF-TV, said on February 4:

—suddenly *Reader's Digest* is off the hook. After months of teeth-gnashing, breast-pounding and nationalistic flagwaving, the Trudeau government has decided that Canadian citizenship after all can be conferred on to *Reader's Digest* because it is not a magazine at all, it's a digest. It is likely not wise for us now to go into all the tortured reasoning that has led to the latest of this pretzelled situation, but the upshot is that the Canadian edition of *Reader's Digest* is now in and the Canadian edition of *Time* magazine is now out, or is it? Although federal government officials are stressing the the *Reader's Digest* compromise cannot be extended to *Time* Canada, the *Time* Canada publisher Steven Leroux apparently feels that the rope around this neck is somewhat loosened. He is telling newsmen that what is sauce for the goose is sauce for the gander, although officially Ottawa is insisting that it is not. Ottawa should do us all a big favour by scrapping this nonsense entirely and let *Reader's Digest* and *Time* Canada go about their business.

Ian McKenty, of station CJAD; also said on February 4:

As you know, the Trudeau government has been trying to boot the Canadian editions of *Time* and *Reader's Digest* out of Canada, and now the government has backed down on *Reader's Digest*. That's good news for the hundreds of *Reader's Digest* employees in Montreal and is also good news for anybody who values the free press in this country. The government should now back down on the Canadian edition of *Time*. The government should withdraw Bill C-58 and its own interpretation of Canadian content. The real problem here is the Canadian content rule. It's called the 80 per cent rule—

The new rule, for the minister has assumed full responsibility, is known as the Cullen rule. Mr. McKenty went on to say:

—More than 80 per cent of the contents of the Canadian periodical must be material which has not appeared in . . . prior issues of foreign publications; and I should add here that "foreign publication" refers to one with which the Canadian periodical has a continuing arrangement. Now this so-called Cullen rule gets right down to the arrangement and size of photographs on a page. Suppose a photograph appears in the Japan publication, a similar view of the same photograph then appears in the Canadian magazine. It will not be considered Canadian content. But here is the rub—who decides what is Canadian content and what is not? I expect it's the boys in the Revenue Department in Ottawa. They are the same gang who decides for all of us what is a dirty—

Or pornographic

—book and what isn't a dirty book.

Mr. Robert Stanfield said this legislation is not acceptable to anyone who still believes in the fundamental principles of a free democracy. Mr. Stanfield is right. The government should withdraw Bill C-58 and review its 80 per cent content rule.

I support the subamendment proposed by the hon. member for Vancouver-Kingsway. If Canadians want *Maclean's*, they will have to buy it. We do not need the Liberal government ramming it down our throats. The Montreal *Star* said much the same in an editorial on January 29:

The federal government's Bill C-58 has one thing in common with Bill 22 of the Quebec government.

Each of these laws is controversial. I continue:

Each is framed in ambiguity and therefore open to whimsical or dangerous interpretation by bureaucrats—

The editorial further says that one official interpretation so far is that "substantially the same as" means that 80 per cent of the contents must be reported, edited, viewed and otherwise originated by Canadians. As I said earlier, this means that most Canadian newspapers or periodicals at one time or other will not, under this definition, be considered as Canadian. The Montreal *Star* says:

What kind of future interpretation will be delivered by bureaucrats who for purposes of their own or the government that hires them decide that specific Canadian newspapers aren't friendly and therefore must cease publication because they do not qualify? Bill C-58 has reached its present stage without benefit of full cabinet debate. It is ill-conceived in the form in which it now appears. It is a threat to civil liberties. It is, moreover, politically dangerous for a Trudeau administration which has already become enmeshed in a distasteful controversy over a possible increase in government intervention in business affairs and habits of Canadians. There can be no excuse for adding to the conflict by inviting the kind of bureaucratic meddling that might violate fundamental democratic values. Bill C-58 has no reason for passage.

As another contributor to a certain Toronto magazine says, if the Liberal government passes Bill C-58 in its present form, "it will be the last editorial viewpoint in this magazine that will be written and published free of government editorial control." That is terrible.

Mr. Symes: The hon. member has not considered certain aspects.

Mr. Darling: The hon. member for Sault Ste. Marie (Mr. Symes) is commenting. He thinks that anything to do with free enterprise is distasteful, as do many members on my left. Those hon. members want more government ownership, more government intervention, more government control: that is their goal.

Mr. Lambert (Edmonton West): And jobs for the boys.

Mr. Darling: I suggest that the majority of the members of this House and the vast majority of Canadians are not ready for that kind of control.

Mr. Gordon Towers (Red Deer): Mr. Speaker, having listened to many hon. members speaking in this House, my admiration has been strengthened for government supporters who had the courage of their convictions and spoke as representatives of those who voted them into parliament. They clearly outlined their reasons for opposing this bill even though most of their backbench colleagues support the government, disregard the effect of Bill C-58 on the majority of Canadians and forget that there was little, if any, consultation between the Minister of National Revenue (Mr. Cullen) and the Secretary of State (Mr. Faulkner) and their counterparts south of the border.

Canadians ought to remember that we have a good neighbour south of the border. If we continue treating our neighbours in this manner, there is no guarantee they will remain good neighbours. Anti-Americanism is popular in Canada these days; but let me impress on the House that one need not be anti-American in order to be pro-Canadian. There is room for both countries on this continent. As one country grows, so will the other: we must remember this. If we are to become strong as a country, our neighbour south of the border must also be strong.

Have the Minister of National Revenue and the Secretary of State considered what our Canadian publications would lose if our good neighbour to the south retaliated in like manner? How much would our publishing industry lose if it no longer carried glossy advertisements of products made south of the border? Our advertising arrangements should be reciprocal. We all understand that the United States is bigger than this country: it has ten times our population and is ten times as strong. Let us remember that almost every publication sold in Canada carries advertisements of United States products and services to do with liquor, cigarettes, real estate, vacation spots, cosmetics and countless everyday consumer products.

● (1630)

Even the Canadian Periodical Publishers' Association must be aware of that fact, but perhaps it, too, can afford to ignore the individual's welfare and point of view, as the Secretary of State did with regard to other representations made to the House committee. That association seems to be the sole interest, vigorously defended by the Secretary of State. That is strange, yet interesting, because this government is well schooled in overlooking suggestions, submissions, personal petitions and pleas by Canadians from every area of our land, regardless of the number. I guess that can only be construed as another interpretation: this government and its ministers find an interpretation to suit their objective, turning a deaf ear, flaunting authority and discounting all intelligent reasoning emanating from outside their own sanctum. Unfortunately, power begets power. I do not think it would be at all far-fetched to say that nothing destroys democrary as rapidly as power and the greed for more power.

This legislation, if left unamended and if no consideration is given to this amendment, will discriminate in favour of publications which concentrate on events within this country as against those which report extensively on international affairs. Most Canadians read daily or weekly newspapers in which all important Canadian news is printed, without restriction, interpretation or discrimination. Magazines or periodicals which contain information and educational or other specific informative material may no longer be permitted to serve Canadians as a result of the decision of the Secretary of State. While giving lip service, has the government given enough thought to publications such as *MD of Canada* which provides an important and necessary service to our physicians? The entire content of this medical journal is valuable information. It

does not offer competition to any other journal or magazine in this country; it is published, printed and edited in Canada—yet Bill C-58 would eliminate it.

Did the Secretary of State also decide to disregard the 1,000 Canadian writers because he was so bent on hearing only the periodicals' association? What has happened to the right of the individual? I am sure many of those writers are just as professional as members of the association in question—perhaps more so than the sponsors of this arbitrary piece of legislation—and perhaps could do much more to put Canada on the world map in a more meaningful and brotherly manner. Maybe it would be wise for the respective ministers and government supporters to read the speech of the hon. member for Vancouver-Kingsway (Mrs. Holt) once again. I am as pro-Canadian as anyone, but before you have a good neighbour, you first have to learn how to be one, and the policy of this government certainly lacks the premise of being a good neighbour as far as relationships exists with the United States.

Did members of the NDP realize what they were doing when they spoke in support of the government on this bill? Does the hon. member for Sault Ste. Marie (Mr. Symes), for instance, want to become part of this about-face of the Minister of National Revenue and the narrow and biased outlook of the Secretary of State? Did not the constituents of the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) express their feelings about this biased legislation? Are they not "men of the cloth" to whom Canadians look for justice at every level? I believe that if they reconsider their stand, especially when government MPs have, they will have the courage to stand up for what is right, rather than to be led around by the nose. How can NDP members, or any member in this House, respect ministers in their individual interpretations and single-minded decisions?

We have heard about the Cullen rule. If this minister does not change his stand, perhaps we will hear about the Cullen funeral. There is no reason why he has to be tagged with this legislation. It was handed to him by his predecessor. If he wishes properly to represent those who elected him and all other Canadians, he will have to take another look at this question. We must ask ourselves whether we want government by interpretation rather than by statute. Government supporters who are supporting the two ministers in this legislation should recognize that these ministers may not hold their positions for very long. Perhaps there will be a new government. I hope so. If that happens, there will be two new ministers. Unless changed, this legislation will be in place and open to interpretation. Therefore, if this legislation passes it will be a great disservice to the Canadian people and the freedom that has been given to us by those who went before. We should be careful about giving away that freedom to the interpretation of ministers.

This bill has gone beyond a simple income tax measure. *Reader's Digest* can perhaps continue to publish within Canada, and the future of *Time* is not yet known—so how many Canadian publications will actually reap benefits from this measure as far as income is concerned? We know the facts. The figures have been given to this House. It is within 2 per cent or 3 per cent of the amount used for advertising that is put into magazine advertisements. This legislation will surely not change the amount that much. The inherent danger in Bill C-58, and I would think that every democratic individual would realize this, is the fact that the government is interfering in what is to be published, namely, the printed word. Perhaps the next step will be infringement of our freedom to worship. Economic freedom in this country has already been implicated because of government restrictions.

How can any conscientious MP of any party profess to be concerned about our veterans, our former prisoners of war, senior citizens' well-being, our prisons and their inmates, and child care—to name a few—and yet defend a measure which takes away one of our basic freedoms by interpretation? The printed word, after all, is a form of freedom of speech. Not many countries in this world have the opportunity of exercising that freedom. We should certainly do it at every opportunity. We must make sure that freedom of speech is protected in order to maintain a degree of stability.

I feel sure that every MP who has the courage and integrity to think for himself will realize he cannot support this bill. Members opposite have been very active in their support of the O'Leary commission recommendations concerning Canadian periodicals, but it was very noticeable that their support did not mention one very significant fact. At no time did the O'Leary report suggest that government should become involved in the interpretation of what Canadians should or should not read. It should be left up to Canadians. They are intelligent people. If they do not like what they see, they do not buy it. However, they cannot read what is not printed. When the Minister of National Revenue or the Secretary of State interferes with what is to be printed, there is created an element of political bias. It is an infringement on the rights of the individual.

There is no reason why we should allow this bill to pass. I hope there are enough members on all sides who will stand up and be heard on this very crucial issue, because once in place it will be very difficult to change. Let me emphasize that that which is put in place should be put in place by statute, not by interpretation. Because of the disagreement in the course of second reading, committee stage and report stage, there is a great variance in opinion. The government has no right to decide what should be available for reading or what can or cannot be printed in this country.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, it has become apparent from what one reads and hears in the media of this country that journalists in Canada, newpapers in Canada and most thinking Canadians, have come to realize as this debate has gone on the danger of this bill with its so-called Cullen rule and its principle of government by interpretation rather than government by statute. What the government has proposed, and what it persists in doing by refusing to reconsider its position, by setting on its own embarrassment a greater value than the principle upon which a free society and free democracy is established, is in point of fact violating everything we have ever been taught about responsible government, in the parliamentary sense, acting through our parliamentary institutions.

● (1640)

What the Minister of National Revenue (Mr. Cullen) has done and, by his speech, will do in the future is to amend a statute of parliament by a decree outside the statute, a decree made to suit the convenience of the government. Quite frankly, Mr. Speaker, the Leader of the Opposition (Mr. Stanfield) on Friday, and speakers in this debate today, have made it clear that we are not prepared to let this pass. We are prepared to use every available parliamentary means to ensure, to the extent we possibly can, that we will not allow this to happen. That is why the members who spoke on Friday, and those who spoke on Thursday on amendments to this bill from the government side and who put their partisanship aside and spoke in terms of their conviction—all of them admirable speeches and all well-researched—brought out the points which were separating them from their party, that were separating their positions of principle from a position lacking in principle on the part of their party. I sat in wonder and in admiration and heard them out. I think that these members who have thus far spoken with respect to this bill—and all of them spoke under great strain—are the unsung heroes of this debate. I join with colleagues on all sides of the House in congratulating them for their courage.

That is what has been happening. The Leader of the Opposition on Friday, and again today put the proposition very carefully. I quote from his speech on page 10728 of *Hansard* for February 6, 1976:

> Earlier in the week I asked the Secretary of State if he could honestly say that "substantially the same" means the same as "80 per cent the same." I do not know how anyone can argue that such expressions come within the normal use of the English language. How can anyone argue that the interpretation given those words approaches their normal meaning? The interpretation is a complete distortion of the three words "substantially the same". How can one say something must be 20 per cent the same, or 80 per cent different? In other words, the government is changing the statute.

That is the issue. That is, aside from the main objective, not a really bad objective when you look back on the debate and the purpose of Bill C-58 which has now become lost in the shuffling which has gone on. The real issue is the failure to act directly or honestly by coming to parliament with an amendment to the statute. Instead, the government has relied on a procedure which is merely justice depending upon the length of the chancellor's foot, depending upon the whim of the minister, depending upon the clout of the minister within the cabinet and his position from time to time, whoever he might be.

Mr. Speaker, I would not trust my own party with those powers and I'll be damned if I will trust this government with them! It is important that we not succumb, in this House or anywhere else, to the easy compromise which would be to say, "All our prayers have been answered; all our mail has been answered: we can now send out the press release to all the people who wrote to us about *Reader's Digest* and say *Reader's Digest* has been saved." Of course, there is no guarantee of that, if we understood what the minister said this afternoon. But that would be the easy way. It would also be the unprincipled way, because it is precisely why that decision was taken.

Public criticism over *Reader's Digest* could be dampened and turned away, it could be set aside, and every loyal little Grit could send out a statement that *Reader's Digest* had been saved. Well, I do not think it is sure that *Reader's Digest* has been saved. I would be delighted to see it happen, but not at the expense of what is the right and duty of the government in a parliamentary system which is to come before parliament with the changes to its legislation, not with the back-room tinkering which has gone on. I'll wager that some of that back-room is the caucus room of the Liberal party.

Part of it is the difficulty which beset the Minister of National Revenue. Part of it is the problem which overtook the cabinet the moment they departed from principle. Part of the problem is—as Geoffrey Stevens pointed out in his column last week—moving from blunder to blunder in terms of this legislation. I do not believe every backbencher on the government side is a tool of the government. I do not believe they are ciphers. I believe there are more members like the hon. member for Vancouver-Kingsway (Mrs. Holt), the hon. member for Ontario (Mr. Cafik) and the hon. member for Scarborough West (Mr. Martin) who spoke in this debate. They spoke with courage. But the principle is a clear one.

No member of this parliament representing, as we do, 125,000 people should lie down and tolerate this backroom tinkering, this compromising in an unprincipled way with legislation which may have been founded in the right direction. No member of parliament who respects his position should let it go by. I am very happy to stand with the hon. member for Fundy-Royal (Mr. Fairweather) and with others who have spoken in this debate and say that what we are witnessing here is a dark day for parliamentary democracy. If the good word "compromise" is to be derogated in this kind of unprincipled way, I can assure you, Mr. Speaker, that the members of Her Majesty's Loyal Opposition will do all that they can to prevent it.

● (1650)

The hon. member for Red Deer (Mr. Towers) said that the government is changing the law outside the statute. He said we are being governed now by interpretation of a statute by a government whose attitude may change. The hon. member for Parry Sound-Muskoka (Mr. Darling) spoke of the danger that this action could pose to other forms of the media such as newspapers. We are dealing with a very serious matter. I hope all members of the House will avail themselves of the opportunity of putting in their two-cents' worth on this legislation, even those members of the House who are prepared to take a nationalistic view of Bill C-58 and those who are prepared to say that *Time* and *Reader's Digest* ought to have no privileges whatever in Canada. Even those members ought not to sit back silent while this right of a free people to debate legislative change is being trampled by a government that is doing by regulation what it does not have the guts to do by statute.

That is the issue here, Mr. Speaker. All members of the House who feel strongly about the matter should ask themselves this question: Do we honestly approve, as members of a free parliament, of the government doing an end-run around parliament and taking unto itself the unprincipled use of regulations? Having put itself into a discriminatory position first of all in regard to both *Time* and *Reader's Digest*, considering those two entities together, by virtue of this interpretation, it is now taking a

position against *Time* magazine only. Whether we are talking about *Time* at about *Reader's Digest*, if we are to believe the government, Mr. Speaker, we are still talking about revenue of which Canadian publications will be deprived. Althouth I have difficulty believing the government, I have no difficulty in seeing that not only is this unprincipled in terms of administrative law and parliamentary practice, but it is equally a kind of vendetta against *Time* magazine. I would commend to members of the House an editorial that appeared in today's Montreal *Gazette* written by Christopher Young, former editor of the Ottawa *Citizen*. He had this to say:

> The great Canadian magazine policy is now hardly more than a vendetta against *Time*. Or perhaps, to give it a positive framework, the magazine bill is reduced to that ancient national policy, protection of infant industry.
>
> The "infant" in this case is *Maclean's* now ironically calling itself by the *Time*-coined name "newsmagazine".

If that is the object of this legislation—and it will be the result of this unprincipled move by the government, and I hope by fewer than a majority of the members of the House—then all of us will be party to an act which will be discriminatory against one magazine that we have accepted in favour of another, on the narrow ground that it happens to be Canadian. As I say, Mr. Speaker, I commend this article to all members of the House as one that examines the real purpose of this legislation. It is written by a well known journalist, a man of the highest repute who is as much concerned about the fate of the publishing industry in this country as any member of the House.

This is a bad discriminatory practice that the government asks the House to approve. I, for one, am not prepared to stand by and allow this to happen and I know there are others in the House who are not. I am satisfied that before this debate is over the government will rue the day it ever decided to tinker in the backroom with principles that affect and which ought to govern a parliamentary democracy.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Okanagan Boundary (Mr. Whittaker)—Agriculture—Reduction in federal share of cost of crop insurance—Government action to offset; the hon. member for Egmont (Mr. MacDonald)—Manpower—Possible elimination of some youth assistance programs—Alternative measures to increase employment opportunities; the hon. member for Surrey-White Rock (Mr. Friesen)—Air Transport—Introduction of bilingual air traffic control in provinces other than Quebec.

Non-Canadian Publications

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of Bill C-58 to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, we have had the great privilege of listening to a first-rate speech by the hon. member for Grenville-Carleton (Mr. Baker)—

Some hon. Members: Oh, oh!

Mr. Baldwin: —which was emotional but reasonable, which was on a high level yet based on the law. It was the kind of speech that I hope will have great appeal to hon. members opposite, fresh from their weekend caucus at which they dealt with the very serious problems they are now facing. I was not privileged to be at that caucus, Mr. Speaker, but I can imagine Your Honour was there. There is no doubt at all in my mind that among the issues they discussed was this very bill.

Mr. Lalonde: Wrong again.

Mr. Baldwin: If I am wrong, let one of the members opposite stand up when I am finished and make a speech about what exactly is the approach of his party's caucus.

Mr. Lambert (Edmonton West): You fellows should come clean.

Mr. Baldwin: As they feel their world trembling about them, getting close to the last days of Pompeii, I would have thought they would have seized the first opportunity to make a speech either in defence of the bill and the strange and tortured actions of the Minister of National Revenue (Mr. Cullen) and the Secretary of State (Mr. Faulkner), or they would stand up, if they had the courage to do so—as my hon. friend from Grenville-Carleton said—and challenge the bill and the principles behind it.

I have not spoken on this bill before, though I did ask the Minister of National Revenue some questions about it. I did not get the answers I sought; they did not deal strictly with the issue I raised. Today the minister spoke, but failed to deal with what I consider to be a very important although possibly a collateral issue of the bill and the principle involved.

● (1700)

I asked the Minister of National Revenue why, if the government did not want to legislate the terms under which certain periodicals would either be or would not be allowed to be published in Canada and receive the tax benefits which heretofore have been received by *Time* and *Reader's Digest*, it did not at least use the opportunity provided under section 221 of the Income Tax Act and put this in the form of regulation. If the government did not want to put this in the form of legislation, as it did in the

1965 act, then why did it not put it in the form of regulation? A regulation, to those of us who labour in the vineyards of public life, is not as effective as legislation because we can debate legislation in the House, propose amendments to the matter when it goes to the committee, and perhaps amend it when it comes back at the report stage. Of course, legislation is the ideal way, or the best approach. However, if the government does not want to legislate, or does not dare to do so, then why, in the name of heaven, does it not use the opportunity provided under section 221 of the Income Tax Act to do this by regulation?

A regulation becomes a statutory instrument and is then subject to some review by the scrutiny committee established under the Statutory Instruments Act. We then have an opportunity to examine and consider the regulations and then, if necessary, report to the House. In this day and age, when governments—and this government in particular—are abrogating to themselves more and more power to deal with the affairs of the people of this country secretly and by decree, it becomes necessary that some of these things at least come out in the open.

As I recall the minister's statement the other day, he said he had received the legal opinion that he was not able to do this by regulation. This is an extraordinary thing. When we have tried to find out in the statutory instruments committee why certain decrees and regulations are not allowed to be brought before that committee for scrutiny, we have been told a legal opinion has been given that these were not regulations and therefore were not to be brought before the committee. I am glad to see the hon. member for Windsor-Walkerville (Mr. MacGuigan) in attendance here. He was chairman of that very good committee.

An hon. Member: A very good chairman, too.

Mr. Baldwin: He was a very good chairman of that very good committee with many very good members who sent back a very good report, something that we do not get too often these days. That report recommended certain things, and as a result there was a subsequent Statutory Instruments Act.

An hon. Member: What has this to do with the bill?

Mr. Baldwin: I know the hon. member has a mind that likes very simple things, but I like to deal with these issues in terms of building a case. Perhaps if I use more simple words the hon. member might be able to understand. I will speak slowly and try to take him along one stage at a time so that he perhaps will be able to understand the points I am trying to make.

An hon. Member: Make sure you don't tell us about your convention.

Mr. Baldwin: The hon. member is worried about the convention. I am sure that is what they have been talking about in caucus. They are so worried that something is going to come out of our convention. With your permission, Mr. Speaker, I will get back to the bill.

Some hon. Members: Hear, hear!

Mr. Baldwin: I was making a point about the method adopted by this government when dealing with the problems we are now debating. This method falls in line with the past conduct of this government. I use this illustration because it indicates precisely what has happened and what will happen to this government when it exercises the dictatorial power it has received from parliament to deal with matters of this kind.

When we have asked in the scrutiny committee for legal opinions, we have been told that the Minister of Justice (Mr. Basford) is the constitutional adviser to the government and has no right at all to give any legal opinions. When we have gone to a particular department, Crown corporation or agency, which has received legal advice that compelled it to refuse to produce a statutory instrument or a decree for consideration, we have been told we are not allowed to see the legal opinion given by the Minister of Justice. That is the situation today.

The Minister of National Revenue has said that at his whim, or the whim of his advisers, he has decided that *Reader's Digest* has now engaged in an arrangement which he accepts as being satisfactory under the terms of section 19(5) of the Income Tax Act. This is governed by the whim of the minister or by the whim of civil servants. If the minister has one whim today, he can have another whim tomorrow, another the day after and another the day after that. This is the sort of thing about which we complain.

I will come to the content of the bill a little later, but it is the procedure adopted by the government that is most repugnant to anyone who believes in the principle of parliamentary government, as does this party, and as I hope at least some members over there as well. When I raised this matter the other day, the Minister of National Revenue said his legal advisers had told him he was unable to do this by regulation. Let us look at section 221(5) of the Income Tax Act to see what in fact it says. Let me paraphrase the section which says that the governor in council may make regulations—and I come to (j)—generally to carry out the purpose and provisions of the act.

This has been subject to legal interpretation and we understand clearly what it means. There is no question at all that if the government had the courage to say precisely what the rules are, it could do so by regulation. If the government had the courage to say precisely what rules it intends to adopt when it comes to establishing the basis on which a periodical shall be deemed to be a Canadian periodical, it could do so by a statutory instrument such as a regulation.

If the government followed this procedure, such an instrument would then go before the scrutiny committee, under the Statutory Instruments Act, where members of this House could at least exercise some measure of scrutiny and supervision. The government has refused to do this. Rather than do it this way, the government has decided to make its decisions in the darkest recesses of some departmental office. There the government huddles with its legal advisers and, perhaps, officials of *Reader's Digest*. Perhaps later on these officials will huddle together with representatives of *Time* magazine, and perhaps later still with representatives of some other periodical, making deals with them based on the government's whim of the moment. That is the basis of the government's case at this time and, as the hon. member for Grenville-Carleton has said, that simply is not good enough. If that is not the basis of the

governments decision, let someone over there stand up and establish in words we can all understand the basis on which the government is operating. Let some hon. members over there do that, if they have the courage—which I doubt.

I say to you at this branch of my argument, Mr. Speaker, that the government could have acted by legislation as it did in 1965. If it did not want to do that, it could at least have indicated there would be regulations under the regulatory clause. In that event, the regulations would have been published and we would then know what are the facts.

An hon. Member: I thought you wanted legislation?

Mr. Baldwin: As the hon. member suggests, I would much prefer legislation, but if we cannot have legislation let us at least have regulation. Let us know what the rules are so that we may decide to abide by those rules, or not, as the case may be. This is much like the old story I have told before, of the Roman emperor who, when compelled by law to engrave his laws on tablets of stone, did so and then hung them up so high that no one could see or read them. That is what this government is doing. No one knows the real basis of the deal made with *Reader's Digest* apart from the Minister of National Revenue and/or his officials. That is the situation we face.

● (1710)

All over the United States, ever since—and even before—the Watergate situation a number of states have started what is known as the sunshine law. This began in the State of Florida and spread to Oregon and California. I think that now almost all the states in the United States of America have passed sunshine laws. This means sunshine in government, open government by which not only the legislature but all the boards, the tribunals and their agencies are compelled to hold proceedings in public subject to secrecy acceptable to the people whose lives are affected by their decisions. That is sound, common sense. I think we are coming into this era in our political history when we need something similar in Canada.

Instead, we find this government proceeding further and further away into the medieval days in respect of a simple issue of whether or not a periodical is a Canadian periodical. The decision is made in the dimmest recesses of some government office. The minister said this is the same kind of decision he often makes. He said that members from all sides often ask to make interpretations. That is an entirely different thing. Decisions made in respect of income tax returns, mathematical calculations and interpretations under the regulations are one thing. That is on a completely different footing to what appears as the law under section 19(5) of the Income Tax Act.

Let me again place on the record what section 19(5)(a) "Canadian issue" means. Then certain items are given. It states that a Canadian issue does not include an issue of a periodical the contents of which, excluding advertisements, are substantially the same as the contents of an issue of a periodical, or the contents of one or more issues of one or more periodicals, that was or were printed, edited or published outside Canada. That is very different, far more important and more grave than the kind of example the minister gave when he said that from time to time, at the request of people in this country or of members of the House of Commons, he might examine the return of a taxpayer in respect of a specific issue and make an interpretation. This is a more grave, more serious and more important issue which cannot be left to the uncontrolled discretion of departmental officials.

Before I sit down, Mr. Speaker, let me make one more general comment. I hold no brief for or against *Time* magazine or *Maclean's* magazine. I must say, however, that in my opinion literature, like beauty, art, science and mathematics should have no national boundaries. I do not think we add to the value or calibre of Canadian literature, Canadian science, Canadian mathematics, Canadian art, Canadian sculpture or Canadian drama by closing our boundaries. I do not think there should be national boundaries. If I want to read *Time* magazine or any other periodical, and if that may involve the fact that *Time* magazine receives certain benefits in terms of advertising revenue which are not shared by other magazines, then if that is the price to pay perhaps we should be prepared to pay that price.

There is no question that the recent contortions of the government have indicated who is their target. It is *Time* magazine. The determination from the beginning may have been how to keep *Time* magazine out of Canada. That is obnoxious to me. *Maclean's* magazine may take its place, but I doubt that. My experience, as a westerner, is that so far as the west is concerned *Maclean's* magazine sends its hatchet people out to the west from time to time to write distorted and completely improper articles on the people of western and northern Canada. I have seen some of these articles from time to time. This is an indication of the slovenly intellectual capacity of the people on Jarvis Street and University Avenue in Toronto. The CBC does the same thing from time to time. There is no question about that. I see no reason, under these conditions, why the government should be allowed to go through, unscathed, in its contortions and twistings in its attempt to bring about the proposals in the bill.

For that reason, I support the amendment of the hon. member for Vancouver-Kingsway (Mrs. Holt) who has had the courage of her convictions in dealing with this matter honestly and straightforwardly. This is the way she sees it. This is a legislative proposal which the people can vote for or against. This is the way we should proceed. We should proceed by way of a legislative proposal which will be dealt with in this House.

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, as a relatively new member of parliament, sometimes I sit back and scratch my head wondering what we are arguing here. As I listen to the debate and the frustrations of members express, I wonder even more so, because the deeper and deeper we get into the issues involved in this bill, the bigger and bigger a mess we seem to have. What started out at second reading as a statement of high principle and philosophy has now turned into absolute confusion. The principle and philosophy have long since been lost and we are attempting to salvage something. Unfortunately, the more I look at the bill and the more I hear about it, the more vested interest there seems to be and the less principle there seems to be.

As I looked at the original intent of the bill, it seemed to be to eliminate special status. Who can argue with that principle and that philosophy? That philosophy of special status and privilege goes to the very root and foundation of the Liberal Party as I have studied it. The movement for equality is a small "l" liberal move away from class and this type of "ism". So I would expect, when a Liberal brings forth this policy of equality, he would attempt to justify it and produce legislation on that basis.

I hear some Liberals on the other side say they want that equality. Some of them have even been taken in and have called this a form of equality and a form of liberalism. They have been talked into accepting the minister's statement that this eliminates special status. But even they who are lulled into this false sense of complacency are now beginning to doubt. They are doubting the judgment of their minister and of their government, because it does not take an intellectual giant to eliminate the special status. This bill is supposed to accomplish that. All we hear is double-talk coming from the government benches, double-talk which tells us that they will eliminate the special status, and yet *Reader's Digest* will continue to publish as before. So where is there the elimination of the special status? I do not pose this question to the minister now; I address it to the backbenchers. I urge you all to go back to your basic philosophy and to the principles which brought you here to the House, to the things in which you believe. Every time that your minister says that, I ask you to challenge him and ask him how the special status is eliminated.

● (1720)

Let the hon. member who has just spoken stand up and make his speech, because I want to hear him. I want him to tell me about the special status of *Time* magazine, how it has been eliminated by this bill. In fact, this bill does not eliminate the special status of *Reader's Digest*. That argument will not wash in light of the announcement of the Minister of National Revenue (Mr. Cullen).

So if this is not the principal purpose, what purposes are left? I think the purposes that are left are, first, vested interest. I suggest that everyone had better consider this. In the name of whose vested interests is this bill being passed? I suggest we look for the vested interest of the opposition members in the effects of this bill. Obviously, the opposition does not have a vested interest in destroying this bill because the opposition members, like myself, who speak on this bill, and like hon. members in the party opposite who dare speak against this bill, have no vested interest because we will be hurt by the Canadian news media who gain from this bill; we will be their victims of attack or we will be ignored, both of which possibilities have very severe consequences to a politician.

So the opposition does not have a vested interest in this. Obviously, the Liberal backbenchers do not have a vested interest in attacking this bill. Some of them have staked their political future on this bill. They are walking into the jaws of this machine and they will be chewed up. This is unfortunate because they are idealistic members, members who stand on principle. So I say there is certainly no vested interest among the Liberal backbenchers who are attacking this bill. They can only be interested in principle, and nothing else, when they attack the government.

[Mr. Wenman.]

Some hon. Members: Hear, hear!

Mr. Wenman: If you doubt your own backbenchers, then listen to the arguments of the press.

Some hon. Members: Order.

Mr. Wenman: Certainly, I also say, "Order." If we want order, the only order is from the other side.

Mr. Knowles (Winnipeg North Centre): Address the chair. You are saying "you" all the time. Address Mr. Speaker.

Mr. Wenman: Hon. members on the other side dare to speak. I encourage them. The hon. member for Vancouver-Kingsway (Mrs. Holt) has allowed her name to stand behind this amendment. I urge other members who have spoken up loudly in caucus to stand up. Let us hear their opinion as well. Let us hear them support the hon. member for Vancouver-Kingsway. They have much to lose from fighting members of their own party. I say to the minister, "Listen to the press which speaks and reports." In the last few days they have caught the nature of the argument and they are concerned about the content rule and about the clause "substantially different". The fact that the motion before us today would eliminate this clause is to the credit of the hon. member who proposed it.

It seems to me that the other object is the importance to our national and cultural life, and this should be considered as well. Unfortunately, we do not seem to want to allow freedom of choice to the majority of Canadians. I recognize that the communality of choice, even if it leads to mediocrity, the choice which people have and which may be mediocre is worth protecting more than any other principle we may be discussing here today. When the government tells us that their judgment on what is Canadian and what is not Canadian is better, I am in doubt. I know that this bill does not state clearly what canadian content is. I know that this has been avoided so that we can be more comfortable and say that we are not legislating content. But, in effect, content is being legislated and the content which the minister intends to protect under this legislation is Canadian content. If we had his choice, that is what would be printed and distributed.

I suggest that Canadian content is being distributed and produced very widely through *Time* magazine and, as a matter of fact, through *Reader's Digest*. As I have said, even if that choice is mediocre, that is the choice of the people. There is a small group of elite writers who are certainly Canadians but who promote a minority point of view. They should have a way of being heard and of receiving subsidies from the Canadian government, perhaps through the CBC or through subsidies to books and other publications. This is being done to a large extent. At the same time, let us recognize the choice of Canadians in their reading, which is in itself an expression of what they feel is their own culture. I suggest, for example, that *Reader's Digest* or *Time* magazine express in 80 per cent of their content what Canada is and what Canadian culture is.

Perhaps I am saying that we Canadians are 80 per cent the same as people in the United States. I think it is also true that they are 80 per cent the same as people throughout the world. Our cultural differences are small and they

should remain small. We should promote those things that tie us together. That can be done through international magazines such as *Time* and *Reader's Digest*. On that basis, I say they express the Canadian viewpoint, and because they express the majority Canadian viewpoint they have the right to exist, the right to be read and the right to be heard in Canada.

The government has been in power for many years. A government that has been in power for many years often develops the "Big Brother" complex. A small clique or elite within the government gains control and with that control a series of pieces of legislation are put out by the government against the will of the majority of the people. We have seen this happen in governments time and time again. This does not occur on very large issues; it occurs on small issues. It happens when a government becomes deaf, not just deaf to the majority of Canadians but deaf to the backbenchers within its own party, because it is the backbenchers who are out in the larger community. They are talking to people and getting the gut political feeling that people like to read these magazines and want them to continue. I suggest that those backbench members on the government side opposing this bill will survive longer than members of the government who are promoting the legislation.

● (1730)

Once again, Mr. Speaker, I urge the government to reconsider the content section of the legislation. The principles of the Liberal party can be upheld on every aspect other than content, and the same is true for the Conservative party, in my opinion. I am sure the New Democratic Party does not like content legislation either.

I ask the government to listen to the representations of the Canadian public as expressed by members who have, are, and will continue to speak until the message gets through to the minister. This content rule must be modified, if not totally eliminated, which would be our preference. I think the message is starting to get through. I urge the backbench members on the government side to speak out now. Every time they allow an infringement of this type on our democratic principles it threatens all we stand for.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I should like to stir the embers of memory in this House tonight and go back to the days when members were campaigning for the privilege of participating in debates such as this. I suspect members were very vocal on the hustings, saying they wanted to sit in the House of Commons to represent the people of their ridings and the democratic principles for which our country is known and admired all over the world.

I remember listening to the hon. member for Vancouver-Kingsway (Mrs. Holt) participate in the talk shows for which Vancouver is well known. She said that she was not going to be simply a mouthpiece for all the policies of the government, that if she were elected and disagreed with the government, the government would know about it. I must confess that many times I wondered whether she would be true to her word, and I am happy to say that she has been. I regret there are not more members on the government benches who follow her example and remember the statements they made on the hustings.

This first session of the House has been a period of orientation for me as well as other members. I recall the pre-election idealism and how I, and I am sure other members, saw the function of debate as perfecting legislation, and the very word parliament as meaning "talking things out." I find the government benches strangely silent, however. This seems to be a one way dialogue—a monologue in fact.

When I arrived here I learned that the function of committees was to take legislation that was a little too cumbersome for debate in the House and create the best kind of legislation from it. Committees were composed of members representing some kind of background, training or interest pertinent to the legislation, and they would hone the legislation to the sharpest edge, perfecting it in a way that could not be done through cumbersome dialogue in the House.

I watched with interest this piece of legislation pass on a predetermined course set by a minister who refuses to listen to debate and the advice of members of the committee—a minister who has set as his goal that this legislation will go through the House undisturbed and unchanged. For this he is unrepentent. I feel sure, however, that by the time the legislation passes he will feel a measure of chagrin if not repentence.

I have watched the operation of the committee and the function of the government whip. At one time the whip's function was to make sure that members would attend and participate, and that a quorum would be present. That is not the way it works, however. The whip's function is really to make sure that all members are there who favour government legislation and that members who do not favour it will not be there. They get the double shuffle.

I watched with interest the protection of vested interests close to the minister, and the contradictions within cabinet. For example, the minister said there was no problem with this legislation, that *Time* and *Reader's Digest* could function easily in spite of it. For example, the minister said as reported at page 10638 of *Hansard*:

> Let me reiterate that the government is not seeking in any way to control the freedom of magazine publishers and editors. Nor do we want to impose our will upon the people of Canada and regulate their reading habits. Bill C-58 in no way impinges upon freedom of expression.

Not at all. Then in committee he said that the success of *Reader's Digest* depends largely upon not only its large circulation but its ancillary projects such as the record industry, Book of the Month Club, and the *Digest* books. These are the ways *Reader's Digest* makes its money. Because *Reader's Digest* is a wealthy corporation it has a healthy margin of profit, and therefore *Selection* in Quebec is not going to suffer at all.

He went on to say:

> Examine it in those terms. I think if there is a problem it simply focuses on that particular area, and I would suggest there is enough public evidence around that *Selection* does not have to stop publication.

Then we have the words of the Minister of National Revenue (Mr. Cullen) in the House as reported at page 10584 of *Hansard*:

As a result of questions which were raised in the committee as to whether this legislation in fact had that effect—

That is, a sop to digests in Canada.

—I again discussed the matter with my officials and subsequently talked to counsel for *Reader's Digest*.

It seemed to me at the time that the legislation would have that impact, that is, that it would preclude digests, so that if two, three or ten Canadians got together and decided they were going to have a Canadian digest 100 per cent owned by Canadians, with the editing and publishing being done in Canada, it would be theoretically possible for them to operate in Canada under the 80 per cent rule, but it would be for all practical purposes impossible because of the unique nature of digests.

That is the point that we continuously tried to bring forward to the Secretary of State (Mr. Faulkner) in committee.

● (1740)

I wonder is the cabinet unanimous in its opinion. On the one hand the Secretary of State adamantly denied the suggestion that this legislation will in any way affect the operation of *Reader's Digest* in Canada. On the other hand we had the Minister of National Revenue saying, obviously as a result of what went on in Committee, that *Time* and *Reader's Digest*, especially *Reader's Digest*, could no longer function in this country. One thing encourages me. Despite such contradictory statements it is evident that the Minister of National Revenue pays attention and listens. Yet I guess the old saying still holds true that a new broom sweeps clean. At least that minister is approachable, is not following a pre-set course, and is willing to change his mind. Whom are we to believe, the Minister of National Revenue or the Secretary of State? Right now I am willing to put more stock with the Minister of National Revenue. I think he wants to do the right thing.

We must resolve some basic issues when considering this bill. I know that others have mentioned them; that does not lessen their pertinency. The Secretary of State has said repeatedly that the intention of this bill is the preservation of Canadian culture. That is a laudable goal. I ask, first, which Canadian culture does he mean? There is some basis for thinking that the Canadian culture the minister has in mind is the culture centred on Toronto, the suave, urban-oriented culture of the self-professed purveyors of culture in Canada. In the assessment of some, that is Canadian culture. Do you want to preserve Canadian culture of that kind? If you do, it strikes me as ridiculous to talk about preserving Canadian culture when we are not necessarily talking about Canadian writers but talking only about the Canadian publishing industry.

I recall questioning a witness in committee who said he was speaking on behalf of the newly formed writers association. I asked, "Incidentally, how many writers in your organization are Canadian?" He replied that most of them are either citizens or landed immigrants. Ha! What a joke! Tell me, how does a landed immigrant from England, France, the United States or South America, writing in a Canadian periodical, preserve Canadian culture?

How does the landed immigrant saturated with the culture of his native country in any way preserve Canadian content and Canadian culture when writing in depth about his experiences of his native culture? If he crosses the Canadian border and writes in a Canadian periodical, how does he preserve Canadian culture? Is that how you guarantee the preservation of Canadian culture? It is fatuous to believe that you can preserve Canadian culture merely by publishing items in wholly Canadian owned magazines, as defined by the Minister of National Revenue; such expectations are especially foolish as contributing writers need not necessarily be of Canadian origin or of Canadian background.

My next question is this: are such writers Canadian by conviction? The sole purpose of some writers in Canada is the overthrow of the Government of Canada. Can we say that they preserve Canadian culture? How far does the Secretary of State want to go in preserving our culture? Where does he draw the line and to what extent interfere with our publishing industry?

Again I ask, when the minister says he wants to preserve Canadian culture, which culture does he mean? Who will define Canadian culture? Is any member of this House smart enough to define it? Can any cabinet minister define Canadian culture in a way satisfactory to all Canadians? Is anyone smart enough? I doubt it.

An hon. Member: Speak for yourself.

Mr. Friesen: I am, and I am speaking for the hon. member too, and all other Canadians.

If the government intends to preserve Canadian culture I say its goal is laudable, but the procedure is self-defeating. How can you preserve Canadian culture with legislation, when the Canadian people themselves must preserve it? The intent of this bill quite simply is to cloister, purify, and identify that which is truly Canadian. But who will define these things? I suppose the process must begin with the Department of National Revenue, the Department of the Secretary of State, and the Department of Justice defining Canadian culture. We will have to put ourselves in the hands of those departments.

Something else disturbs me, Mr. Speaker. Although the Secretary of State says he wants to preserve the Canadian publishing industry and Canadian culture, he does not do it when given the chance. I am thinking of a publication which went out of business not more than three months ago in my neighbouring riding, largely because people under the Secretaty of State did not keep their promises. I am talking of Sono Nis Press, which I am sure the Secretary of State remembers. Sono Nis Press was a fine arts publishing company specializing in the production of artistic works. It published writings by Canadian authors in Canada and its avowed purpose was to preserve the fine arts in Canada. It was a Canadian publishing venture, endorsed and partly underwritten by a Canada Council grant. It so happens that this publication was the brain child of a visiting professor of the University of British Columbia. He has been called Canada's youngest and most prolific writer, a man of no small stature in the fine arts, a great poet and a good writer. Let me tell you his story, Mr. Speaker.

The Canada Council went to him and said, "If you relinquish your full professorship at the university, where you enjoy an assured salary, and become a member of the Canadian fine arts team which is to preserve Canadian culture, we will give you $15,000 a year." The man was willing to make the sacrifice and relinquished his full

professorship at UBC. He began writing for the Canada Council and for Canada, and set up the organization known, as I said, as Sono Nis Press. What happened? He agreed to do this work for $15,000, but it was not long before the Canada Council said to him, "Look, we can't quite afford $15,000; can you do it for $11,000?" By that time he had relinquished his university appointment; but he agreed to do it for $11,000.

There are lots of people in Canada who do not fully appreciate the fine arts, but who think $11,000 is a lot of money. At any rate, the ex-professor said, "O.K. these being times of austerity, I will settle for $11,000." So he settled for $11,000, and tried to live on that sum. He wrote and published the kind of work that inspires Canadian poets, short story writers, and novelists. He has been an inspiration to scores of writers across Canada.

● (1750)

The first year goes by. He waits for the next grant. He is supposed to be a permanent writer under the Canada Council. The second year comes along. They say that $11,000 is quite a bit, they do not know if they can do that, and would he settle for $9,000? By this time, there is no way that he can go back to university. The austerity program has set in. Full professorships are not hired back because the salaries are too high. Therefore he must stick with Canada Council. They have him where they want him. When he comes back the next year, they say that $9,000 is too much, and will he settle for $7,000?

What happens to him as a poet also happens to him as a publisher. Canada Council says that what we need in this country is a fine arts publishing company that publishes books, poetry, short stories and so on. When he is asked to start that company, he agrees. The first year everything is kosher. The next year it is not quite so good. The next year one of his writers is publishing short articles in many of the learned fine arts journals across Canada and the United States, all of which have been recognized. In fact he has Canada Council grants to work on them.

This person then decides to compile all those articles and bind them in one volume. Canada Council says no, he cannot get the grant because the articles separately do not constitute quality. The young man decides to publish them anyway. After the book is published, the government by way of Canada Council says that this is representative literature and it would like to have it in our embassies around the world. They would like 200 copies, but would like 20 per cent off the full market price. Therefore you have a publishing company that is fully Canadian, staffed by Canadians, publishing in Canada, publishing Canadian work that is being cut off.

Mr. Deputy Speaker: Order, please. I regret I must interrupt the hon. member but the time allotted to him has expired. He can continue only with unanimous consent. Is there consent to allow the hon. member to complete his remarks?

Mr. Baldwin: Mr. Speaker, I do not know if the President of the Privy Council (Mr. Sharp) is going to make a speech. If he is, we would like him to get across the floor first.

Mr. Deputy Speaker: Order, please. I was asking if there was unanimous consent to allow the hon. member to complete his remarks.

Some hon. Members: Agreed.

Mr. Friesen: I thank hon. members for allowing me to conclude my remarks. By the time I finish my speech they will be glad they gave consent.

Here is an example of a golden opportunity for the Secretary of State to demonstrate that he really is in favour not only of preserving the publishing industry, but the jobs and locations of hundreds of writers in Canada who are dependent upon the publishing industry for their livelihood. And he blew it. The Canada Council blew it. It makes me believe that the protestations that the Secretary of State made about wanting to preserve Canadian culture are totally spurious.

I come back to the point where I began. How do you go about preserving culture? Can you preserve a culture regardless of how identifiable it is, how Canadian it is, or how pure it is? Can you preserve that culture by building a wall around it, making sure that no one on the outside can contaminate it? Are we content to build a wall around Canada in the hope of having a purer Canadian culture?

I wish to quote from a speech made in the British House of Commons some time ago by a man who knew what it was to be threatened by censorship. He knew what it was to be threatened by this kind of control. He refused to bow the knee to this kind of intimidation. He said this:

> I cannot praise a fugitive and cloistered virtue, unexercised and unbreathed, that never sallies out and sees her adversary, but slinks out of the race where that immortal garland is to be run for, not without dust and heat. Assuredly we bring not innocence into the world, bring impurity much rather; that which purifies us is trial, and trial is by what is contrary. That virtue therefore which is but a youngling in the contemplation of evil, and knows not the utmost that vice promises to her followers, and rejects it, is but a blank virtue, not a pure; her whiteness is but an excremental whiteness;

We have a government that mouths a conviction of believing in free enterprise and, maybe to a lesser degree, interaction in the market place. It wants to believe in free enterprise and competition everywhere except in the field of arts, journalism, and publication. There competition is not good. Everywhere else members of the government believe in competition. They say that it is competition that makes our economy run well. However, when it comes to freedom of information, access to information, and style, they no longer believe in competition.

In no other field like in the field of writing and the arts is it so necessary to have a cross-fertilization of cultures in order to preserve, enhance, and make our own culture grow. We cannot allow this kind of legislation to restrict the thinking and artistic expression of the people of Canada through the field of journalism. I call it six o'clock.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

Non-Canadian Publications

AFTER RECESS

The House resumed at 8 p.m.

Mr. Friesen: Madam Speaker, before we recessed for the dinner hour I was saying it seems that in every part of our economy we believe in competition but that in the world of writing the bill before us and the actions of the government would seem to suggest that competition is not good.

Perhaps, though, on reflection, there may be an element of consistency in the government's approach. The Prime Minister (Mr. Trudeau) has suggested the time is coming when there will be increasing governmental interference in the lives of ordinary Canadians. From this point of view it might be said that the legislation we are being asked to approve is consistent with government policy.

I for one maintain that competition in the world of ideas, in the world of the arts, in the world of writing, is a healthy state of affairs, just as it is in the market place. For support I would simply turn to someone whose words will, I am sure, be accepted more readily than my own, although my own, I feel, ought to be accepted readily enough. I refer to the noted essayist, Matthew Arnold. In an essay entitled "The Function of Criticism at the Present Time" he wrote:

> It is of the last importance that English criticism should clearly discern what rule for its course in order to avail itself of the field now opening to it and to produce fruit for the future it ought to take. The rule may be summed up in one word—disinterestedness. And how is criticism to show disinterestedness? By keeping aloof from what is called "the practical view of things"; by resolutely following the law of its own nature, which is to be a free play of the mind on all subjects which it touches. By steadily refusing to lend itself to any of those ulterior, political, practical considerations about ideas, which plenty of people will be sure to attach to them, which perhaps ought often to be attached to them, which in this country at any rate are certain to be attached to them quite sufficiently, but which criticism really has nothing to do with.

The hallmark of fertility of thought and fertility of writing is summed up in the word Matthew Arnold uses, namely, the word disinterestedness.

It occurs to me that in order to understand the effect this legislation might have in future years we might project ourselves into the world of Gulliver's Travels. Gulliver was a model of the rigid Englishman who thinks that the world is his oyster and that everything centres upon his world. This was his belief until he began to travel.

The first unsettling experience he encountered was in the world of Lilliput where he met a race of people who thought in very much the same way as himself. They believed they enjoyed the best of all cultures, the best of all lifestyles, that everything they had devised was little short of perfect. When Gulliver came along they were obliged to revise these impressions. Until then there was no basis of comparison which they could use; they had no way of knowing whether their culture was really a superior culture or not. When Gulliver arrived they recognized instantly that they were, in fact, a very inferior race, a very diminutive race, not in the matter of size only, and that they had by their insularity frustrated the growth of their culture.

Later on Gulliver resumed his travels and went to the world of the Brobdingnagians. These were giants and they, too, thought their world was perfect—that there was no culture better than theirs. Again, though, they had no true basis for this judgment because they had not come into contact with members of any society other than their own until Gulliver arrived. But as soon as Gulliver landed on their shores, a basis for comparison existed. As I said a few moments ago, Gulliver himself had felt there were no achievements superior to those of his own culture, but when he saw the giants he was obliged to recognize that his world was, in fact, narrow and circumscribed.

My point is this: if we insist on drawing artificial boundaries we are eliminating contrast, we are eliminating conflict, and in this way we are eliminating growth and the possibility of perfection.

• (2010)

An hon. Member: What about comparing the Yahoos with the Houyhnhnms?

Mr. Friesen: The hon. member asks if we are going to compare the Yahoos with the Houyhnhnms, and we might because it would be a very apt comparison. I suppose we do have some around, but we should probably leave them for another discussion. But if we draw these narrow boundaries of nationalism the day will come when we, in our pygmian fantasy, will look at our culture like many of the Lilliputians and, without thought of comparison, say, "We are the very best there is; there is none better". While that happens the world passes us by. While this happens to our culture, our writers and journalists, who are the exponents of our culture, the expression of what we think and believe, have no way, if we are in splendid isolation, to sharpen their faculties and skills because they are isolated unto themselves.

I would ask the members of this House whether they think that the Manchester *Guardian*, an English newspaper, became a good newspaper because it studiously practised an insular editorial policy? Did the New York *Times* become what it is today because it had a paranoic fear of foreign correspondents? These kinds of barriers are never a sign of virility and strength; they are always a sign of decay and fear, a kind of cultural egotism based on fear of comparison.

How are the Canadian people to sharpen their critical faculties if all Canadian publications are the products of an inbred journalistic society? Critical faculties are developed by comparison. Let the people read, let the people compare. Let them decide what is Canadian and what is good.

Let me turn now, Madam Speaker, to some of these practical realities of which we have spoken. The Secretary of State addressed his caucus and I should like to make reference to that address. He said:

> While any potential economic dislocation caused by the change in the Income Tax Act would be short-term, it should not be forgotten that some individuals may, certainly, suffer financial loss. One cannot dispute *Reader's Digest* on this point—

I ask the House to take note of this next statement:

> —and a conscious trade off has to be made between these effects and the policy objectives of the government.

Do hon. members realize just what the Secretary of State is saying? The jobs of writers, typesetters, lumbermen, pulp workers, printers and delivery people are to be a

conscious trade off between "these effects and the policy objectives of the government". I suggest that it is both callous and Machiavellian when workers become helpless pawns in a trade off by an unthinking and unfeeling Secretary of State.

Just to make my point a little more clearly, Madam Speaker, I am sure other hon. members have received some of the information that I received. I have before me a half page and placed in all the leading newspapers of this country submitted by about 49 companies in the printing trade. The headline is: "A message to the Government of Canada from the Graphic Arts and Printing Trades Suppliers of the Canadian Reader's Digest". These 49 companies represent about 1,500 workers, among them Evergreen Press Limited of Vancouver representing 50 jobs, Century Arts Studio, Montreal Lithographing Limited and so on. The Secretary of State says that these 1,500 jobs are a conscious trade off that has to be made between "these effects and the policy objectives of the government".

Let me say something about the inconsistencies in this legislation. The Secretary of State has made it abundantly clear that there will be a real distinction between the effect of this legislation on periodicals and its effect on newspapers. As a matter of fact, the government has always made it clear that newspapers are not to be affected by this legislation at all. I ask you, Madam Speaker, what in the name of fairness can that mean? It means that newspapers in Canada can use the services of the writers, UPI, and all the news agencies around the world at a fraction of the cost of sending their own correspondents out to get news stories and to write them up.

I would ask the House how this situation is any different for *Time* and *Reader's Digest*. Both those companies are, in effect, using news agencies to gather in their material and prepare it for publication. One of the dilemmas that the minister faces is the freedom of news agencies to distribute their news stories to Canadian newspapers and magazines. This is done on a shared cost basis with other customers around the world. So a Canadian newspaper that buys a story from UPI, Reuters or API buys it at a fraction of the total cost of production. The rest of the cost is paid for by other customers in England, Australia, the United States and other English-speaking countries. No one questions the validity of this practice; it is the only way that Canadian newspapers can afford to provide world-wide news for their readers.

Reader's Digest and, I might add, *Time* magazine have a continuing relationship with the parent companies in the United States. *Reader's Digest* has raised two features which are objectionable to the minister and apparently to the government. First, its profit picture makes possible, indeed inevitable, that dividend payments will flow to the United States company. Second, it makes possible the purchase of previously published articles at a fraction of the cost of production, since they are already "used".

This practice has been termed by the government and some witnesses, I believe erroneously, "dumping". Nevertheless, the relationship makes savings possible, only because *Reader's Digest*, I might add, is a unique magazine both in format and in content as well as audience. However, it is the contention of the government and of some publishers that this relationship constitutes unfair competition, and therefore inhibits the growth of existing periodicals and perhaps prevents the birth of new ones.

For reasons of consistency I wish the government would clear up what it plans to do with the news agencies scattered around the world as they "dump" their news stories in Canada. I would then ask the Secretary of State, who loves to quote Walter Gordon, why he does not quote other passages of Walter Gordon, for example, the statement he made in 1965 that:

> The government's proposal asserts no control whatever over newspapers or any other publications. It does not alter in any way the complete freedom of businesses to advertise in any way they choose in existing publications or in any future publication owned by Canadians. It provides no precedent for any kind of government interference in the complete freedom of the press.

Then in a sentence I would like to underscore, Walter Gordon goes on to say:

> There is not and could not be any question of interfering with the press in so far as the dissemination of news and opinion is concerned.

Then note this, Madam Speaker:

> I know that no Liberal government would ever think of doing so.

● (2020)

Would you believe it: I know of no Liberal government that would ever interfere with that?

There is one final difficulty with this legislation, and that is that this is not in the form of a statute. Members have pointed this out before, as I did when speaking on a previous amendment. It is impossible for writers to operate in an atmosphere of freedom and security when they have hanging over them the Damoclean sword of government regulations and the whims and vicissitudes of ministers making up their minds. The government knows, and the Minister of National Revenue (Mr. Cullen) knows, as tacitly admitted by a statement in *Hansard*, the mistake of drawing up legislation in this present form. The Minister of National Revenue is faced with an impossible dilemma. First he realizes that the bill should include these regulations, and secondly he cannot do this—

Mr. Blais: Madam Speaker, I rise on a point of order. The hon. member presently speaking was granted the consent of the House to pursue his remarks past the limits imposed during these proceedings. He has now taken over 20 minutes of extra time. I should like the hon. member to indicate whether he has nearly completed his remarks and, if not, perhaps I might raise a further point of order.

The Acting Speaker (Mrs. Morin): Order, please. If there is not unanimous consent the hon. member cannot continue his speech. Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

Mr. Baker (Grenville-Carleton): Madam Speaker, as the hon. member for Nipissing (Mr. Blais) has stated, just before the adjournment at six o'clock the hon. member had come to the end of his allotted time and the House was asked for its unanimous consent in order that he might continue. That consent was given. I am satisfied that is the case. I know the hon. member will not abuse that privilege in any way, but consent for an extension of time was

given. I want to say that we are extremely grateful for that kindness on the part of hon. members on that occasion.

An hon. Member: You have had it.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member has already gone on now for 15 minutes. Perhaps he could bring his remarks to a conclusion.

Mr. Friesen: Much to the disbelief perhaps of government members, Madam Speaker, I have only about five minutes left and then I will be finished.

Some hon. Members: No, no.

An hon. Member: The hon. member had unanimous consent before six o'clock.

Some hon. Members: Order!

An hon. Member: He had unanimous consent, but not for the rest of the day.

The Acting Speaker (Mrs. Morin): Order, please. Perhaps the hon. member could bring his remarks to a conclusion.

An hon. Member: No, no.

The Acting Speaker (Mrs. Morin): The hon. member has agreed to complete his remarks in a minute or so.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): There is not unanimous consent. Is the House ready for the question?

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I am as anxious as anyone for this debate to get on, and I think the hon. member has abused the consent given to him by going on this long, but I do not see how the House can withdraw that consent once it has given it.

An hon. Member: For the rest of the day, or for the rest of the session?

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Madam Speaker, I think the hon. member for Winnipeg North Centre (Mr. Knowles) has confirmed what I had said earlier in respect of what the House did just prior to six o'clock. I do not believe the hon. member who now has the floor intends to abuse that consent in any way, particularly in terms of the importance of the matter before the House.

An hon. Member: He already has.

Some hon. Members: Hear, hear!

An hon. Member: You just don't want to listen.

The Acting Speaker (Mrs. Morin): Order, please. The record shows that the hon. member has already spoken an additional 18 minutes.

An hon. Member: So what?

[Mr. Baker (Grenville-Carleton).]

The Acting Speaker (Mrs. Morin): The hon. member has spoken for 18 minutes over his limit which is almost two allotted periods, so I think the hon. member has had enough time.

Some hon. Members: Hear, hear!

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I welcome this opportunity to contribute to the debate on Bill C-58. My remarks will be brief and, I hope, to the point, realizing that as a result of the many points already raised and debated the government should by now have received the message, and possibly should have withdrawn this bill.

The behind the scenes agreement between *Reader's Digest* and the government to make it possible for *Reader's Digest* to remain in Canada can, in my opinion, be classified as one of the most unworthy acts ever perpetrated in the annals of the history of Canadian governments, and is one more example of the government hacking away at the democratic process on which our country built its foundation, a foundation in which there already appear the cracks of disintegration as the result of almost eight years of misrule by this government.

My Greek ancestors, the founders of democracy, would turn over in their graves if they could perceive the dilution of these principles of democracy, principles which on numerous occasions, they defended, and indeed died for over the last 2,400 years.

Setting policies by regulations drawn up and enforced by civil servants, without prior knowledge or input by elected representatives of the people, is bad enough, but to legislate solely by the whim of a minister, as this regulation regarding *Reader's Digest* will do, leaves periodicals at the mercy of that minister.

Our present minister may have a benign, non-jaundiced and non-interference outlook, which would perhaps be the same outlook as his successor, but there is no guarantee of that. Even if there were a guarantee, all I can say is, what a hell of a way to run the government of a country. Back door policies and back door agreements have no place here.

I am in full agreement, as expressed by some previous speakers, that Bill C-58 is the brain child of an individual or individuals, possibly in the vast hierarchy of the civil service, who from time to time have to justify their jobs or positions. I think the country would have been better off if they had been transferred to somewhere in some never-never land where their words of wisdom might have found their appropriate place.

As my leader earlier admonished, Bill C-58 is a violation of everything that responsible parliamentary government is all about, and changing the law by decree and not by an act of parliament grossly violates the Canadian constitution.

To me Bill C-58 is nothing but veiled censorship to serve the interests not of the majority but only of one publication, *Maclean's*, whose behind the scene power is so necessary and important to the government. In addition, it is a blatant example of the government not only making the decisions regarding the contents of a publication, but also taking on the role of judge and jury. As the hon. member for Battle River (Mr. Malone) has said:

If we are going to talk about a situation in which foreign publications or foreign material comes into this country to be printed and is subjected to a bureaucratic value judgment we must recognize, that as a subjective position ... if bureaucrats do not like something they can censor it 100 per cent ... It means there is no debate. A group of people in the bureaucracy make a subjective judgment about a piece of writing, but unless they can produce some unwaivering criteria to support their judgment then there is no formula ... The reference to previously published material in fact means that writers from any other country can publish first in Canada and then in a foreign country.

● (2030)

Any material written in another country becomes acceptable if it is first published in Canada, but if it is published in another country and then comes to Canada it is not acceptable. What a lot of hogwash, Madam Speaker! All magazines such as *Reader's Digest* or *MD* have to do is change the order of publication, that is, publish first in Canada and then in the foreign country. Substantially not the same as previously published material simply means the order of publication can be changed and it is within the regulations. This will not protect the Canadian publishing industry. Actually it will simply create a loophole to circumvent the law.

Quite frankly I do not see any better evidence of the position of the government in respect of the so-called new society and the greater degree of government intervention than in this legislation. Clearly the government intends to restrict the entry of written material which it does not like, and allow material that is advantageous to it.

It is the Secretary of State (Mr. Faulkner) who is responsible for this mess. He in turn has dumped it into the lap of the Minister of National Revenue (Mr. Cullen). I think the Minister of National Revenue would be well advised to dump it right back into the lap of the Secretary of State.

The real issue here is really the right of Canadians to read what they want to read, and they resent the government's increasing involvement in their day-to-day lives. It would seem to me that this is a collision course that the government would hope to avoid. I believe common sense in this situation should always prevail.

The government made a farce of the committee which studied this legislation. When it became apparent that some government members of the committee voiced disapproval, the government responded by moving these dissenters and replacing them with "yes" men. By emasculating this committee the government has exposed the real inability of most committees to do a job in a way that not only would be meaningful and fulfilling to a member but that would also help members in their attempt to contribute to the legislative process of the country.

The minister talked about Canadianism and Canadian culture. He talked about our losing our identity as Canadians. When he mentioned this there was no question in my mind that he was referring to our neighbour to the south. When he spoke of the 80 per cent difference perhaps he should have stressed not the difference but rather the similarity of our two cultures here and in the United States. He should have emphasized the similarity more than the difference.

I said my remarks would be short. I should like to say in conclusion that this bill is not in the interest of the Canadian public. The Canadian cultural industry has already turned its back on the Secretary of State. The federal government is the servant of the people; it is not the people who are the servants of the government. When any government fails to recognize this then it invites political disaster. My suggestion to the minister is that he clean up this mess very simply by tabling Bill C-58 and relegating it to the wastepaper basket where it rightly belongs.

Mr. Hugh A. Anderson (Comox-Alberni): Madam Speaker—

Some hon. Members: Filibuster.

Mr. Anderson: I am glad to see hon. members over there are awake tonight. It was interesting to listen to the hon. member for Surrey-White Rock (Mr. Friesen) when he was discussing competition. I thought that in a very short time, within two weeks, the same people who are discussing Bill C-58 tonight will be discussing competition and Canadianization of our country at a convention to be held not too far from these premises. I wonder if the same people, like the hon. member for Surrey-White Rock, will be saying the same things at that convention they are saying in this House. I doubt it.

The hon. member for Surrey-White Rock made quite a large issue, while speaking for some time, of competition. I do not think any member of this House will be deluded into believing that the hon. member really was talking about competition between Canadian firms but basically was talking about competition in the sense that there is unfair competition. He did not say it, but there was the implication that there is unfair competition in the periodical industry in Canada.

I suggest that in bringing up the subject of competition between Canadian firms and *Reader's Digest* and *Time* magazine the hon. member is creating a smokescreen, because surely the way the law was set up in Canada in 1965 gave a very clear advantage to *Time* and *Reader's Digest*, and therefore there is no competition between these two magazines and the publications we have in Canada. It amazes me how, day by day, things are twisted around. I thought members on the opposite side, being fair, would recognize the fact that there is no fair competition in the way our laws are set up today.

In our law since 1968 we have allowed content, editorial and otherwise, to cross the border from one country to another with little or no input to Canada and at no cost to the firm bringing it in. Then it is said that we want competition between Canadian and American magazines. That is nonsense. How can there be competition when these magazines come in at a distinct advantage?

The hon. member for Surrey-White Rock was a member of the Committee on Broadcasting, Films and Assistance to the Arts. He heard the periodical people say, time after time after time, that they could not compete with these two American companies because they were too large and had the advantage of shipping their material across the border at nearly just cost.

When the hon. member talks about competition I hope he merely is misled and is not really serious about this aspect of Bill C-58, because I believe any thinking person in this

House, and certainly any thinking person in Canada, could not believe that we have fair competition in the market today. In all sincerity I hope that at some point the hon. member for Surrey-White Rock will withdraw that after he has re-thought his position about whether there really is competition between Canadian and American periodicals under the law as previously set up.

I think every member of the House should clearly understand that Bill C-58 is an attempt to eliminate an unequal situation which has existed for many years. As the hon. member knows, a royal commission started by his party stated that what we had was bad legislation and that there should be no situation in which exemptions are given to American magazines. I think members should really reassess the position they are taking when, after years of debate, hon. members are still arguing that this is some form of censorship and that fair competition is being knocked down.

Let me say that there are people outside this Chamber who are taking note of what is being said by the hon. member for Surrey-White Rock. People will not be taken in by an argument that is facetious to start with, and which has no substance in respect of competition.

I must bring up another point the hon. member for Surrey-White Rock discussed at some length. He compared Canadians to Lilliputians and suggested we are living in isolation. I am sure the hon. member will re-assess that also. Of all the arguments I have heard in the House regarding Bill C-58 the most facetious is the one that we are somehow living in an isolated world here in Canada with nothing coming in. In fact it is exactly the opposite. We have, coming in from the United States as well as from other countries, books, periodicals, you name it, Madam Speaker. We have periodicals flowing into this country from other nations. If anything our problem is trying to establish an identity with all the material that is coming in from other countries.

● (2040)

I was very surprised when the hon. member for Surrey-White Rock said that we were isolationalists, and that we were trying to stop books and periodicals from coming into this country. The distribution system of our magazines on our newsstands is in the hands of the Americans. The majority of the material available on our newsstands is from the United States. Anyone who has ever looked at our media must be impressed with the great amount of foreign material and foreign publications presented to the Canadian people. We wonder sometimes why Canadians do not have an identity. I submit it is for that very reason. That is why I disagree with the hon. member for Surrey-White Rock.

Regarding the right of our writers to security—again the hon. member for Surrey-White Rock discussed this at some length—surely what we are trying to do is to provide a market for Canadian writers and artists so that they can have a chance to be seen and heard over our media because, due to the size of our country and the number of our people, we do not have the money to devote to these periodicals or money to compete with the very large and the very rich countries which have much more money to put into this area. No wonder we do not have more Canadian television programs, for example, to sell to the Americans. We put our programs on the English market occasionally. I submit that we can change this so that the Canadian people will have the opportunity to see and to hear programs produced in Canada, not imported from another country.

The hon. member who spoke before said that Bill C-58 is a veiled attempt at censorship. Because *Newsweek* is not given the same advantage as *Time* or *Reader's Digest* I wonder if the hon. member would say that the Canadian government is applying veiled censorship to *Newsweek* magazine. The fact that such magazines are not given a tax break does not mean we are trying to stifle them or keep them out of the country. There is no one in the House who would suggest that these articles or periodicals are not available in Canada.

I hope that the position taken by *Reader's Digest* means that they, in their wisdom, find they can live within the proposed legislation, and I hope that we in this House can settle down and get on to different things. I am sure that in a year or two from now this legislation will be considered to be good legislation, and perhaps a milestone on our statute books. For all these reasons, Madam Speaker, I hope that this debate can be concluded speedily.

Mr. Gordon Ritchie (Dauphin): Madam Speaker, I welcomed the intervention of the last hon. member because I believe that the essence of his comments was that we should attempt to reduce the American influence in this country. Whatever else may be said about fairness in competition and so on, this is essentially so.

Most of us Canadians would probably agree that we feel Canadian periodicals should be a thriving industry in this country. However, I have grave doubts about this legislation making that a reality. I think in fact that this bill will divide the country further. Many people who are willing to support the Canadian periodical industry are now becoming quite concerned about the way in which this is going to be done, about this open and blatant attempt by the government through the Minister of National Revenue (Mr. Cullen) to rule on what is a Canadian periodical. It is the Department of National Revenue, of all departments, that is ruling on that. Surely the Department of External Affairs or some other department would be better qualified to rule on Canadian content.

In effect this legislation is an attempt to impose thought control in a selective area of our periodical industry. The Department of National Revenue has given us no information on who should make up this board. After all, it is their role to interpret our tax laws, but in practice they tend to come down heavily against the individual. This is becoming more and more obvious. I think they will do the same in deciding what is Canadian content.

If it is important that there be a decision on the Canadian content in periodicals, then the same role should apply to newspapers. We would not have many newspapers left in this country if the rules proposed in this bill were applied to them. The back door agreement to keep *Reader's Digest* is obviously a sop to the part of the country where it is located. I am surprised this event did not take place sooner. It is also a recognition of the fact that *Reader's Digest* cannot be duplicated in Canada. It contains human

interest stories. We could change the names a little and locate the stories in the province of Saskatchewan, in Quebec, in the state of Georgia, in England, or anywhere in the world. All that needs to be changed in these stories to make them Canadian is a line or two and immediately they would become home grown in Canada, but in fact they have come from another part of the world. More than the articles in *Time*, the articles in *Reader's Digest* represent varying viewpoints from around the world.

So far as Canadianization is concerned, certainly *Reader's Digest* is more international than *Time* and the other two periodicals mentioned, *MD Canada* and *Modern Medicine*. Essentially we are getting rid of a news magazine, namely, *Time*. Personally I was not much interested in *Time*, particularly the Canadian edition. Obviously *Time* magazine feels in Canada as a guest who has to behave himself and has to write nice things about Canada. However, *Time* was a window on the world. U.S. magazines have much greater access to people scattered throughout the world and the events that are happening. No Canadian magazine could equal them. There are some very obvious reasons for that.

Some people thought that if we suddenly put *Time* out of business, a lot of money and many Canadian writers would become available. In fact, in any population there is only a small number of people who can write, the news people and the media people. Canada has approximately 15 million English speaking people, whereas the United States have 200 million. Most people in western Canada are much more interested in events across the border than in what *Maclean's* writes about. *Maclean's* writes about Toronto, about Bloor and Jarvis Streets and about the lake front. This is as uninteresting to most western Canadians as it is uninteresting to Quebecers. This does not mean that they are against anything being written about Toronto, but they are more interested in reading what happens south of the border.

● (2050)

To say that *Maclean's*, as the obvious beneficiary of this legislation, will become a newsmagazine, seems to be stretching the realm of the possible. Many of its articles seem quite risqué. Sometimes I think the magazine should be sold under the counter as other pornographic and risqué magazines are—though in fact some are being shown over the counter now.

We can get rid of *Time*, as the government obviously wants to, but will it have the desired result? *Canadian Geographic* magazine is a quarter the size of the *National Geographic* but it is more expensive. Canadian magazines are seriously disadvantaged and you have to be really patriotic to support many of them. There are some good articles in them but it is doubtful whether they will be able to probe the larger issues as do the American magazines. Canadians like to read American magazines, and this is partly because Canadian magazines spend so much of their time telling us that we should be good Canadians, just as the CBC spends a lot of time telling us that we are polluting the atmosphere. Sometimes you feel guilty to be alive. Much Canadian writing is directed along similar lines.

Non-Canadian Publications

The advertising in *Maclean's* magazine is pretty well divided into four groups—liquor, tobacco, travel and cars. The Minister of National Health and Welfare (Mr. Lalonde) tells us that alcohol and tobacco are major health problems, but the advertising revenue comes largely from the four areas I have mentioned.

I think it can be fairly said that alcohol is a serious problem. I do not often agree with the premier of my province who is a member of the NDP, but when he says there is too much emphasis on liquor advertising I am inclined to think he is on a good wicket, as the English would say. And what about automobiles? We are told that their use will diminish in the future so that factor will reduce advertising in the magazines and periodicals. Travel will also be reduced if the dire forecasts of energy shortages prove to be correct.

It does not logically follow that the advertising dollars which presently go to *Time* will automatically go to Canadian periodicals when it leaves the country, nor is it certain they would be able to use them. Will they be able to produce writing of the same standard? I notice that CP Air advertises in *Newsweek* magazine. Presumably this is not deductible. CP Air is a Canadian company obviously attempting to attract American travellers.

I should like to say that I support the amendment of the hon. member for Vancouver-Kingsway (Mrs. Holt) and agree with her wholeheartedly.

Mr. James A. McGrath (St. John's East): Madam Speaker, I should like to say a few words in support of the excellent amendment put forward by the hon. member for Vancouver-Kingsway (Mrs. Holt). I do so as one who participated in the examination of this bill when it was before the committee, and I also participated in this debate when the bill was before the House.

It is interesting that we should reflect tonight on the fact that the vote at second reading stage of this bill was only reached when the government imposed closure. Even after the imposition of closure two prominent supporters of the government voted against the bill. I refer to the hon. member for Montreal-Bourassa (Mr. Trudel), who unfortunately is not in his seat, and the hon. member for Kitchener (Mr. Flynn).

When the bill went to committee, notwithstanding the tremendous interest there was in the legislation, we as a committee found ourselves again operating under the constraint of closure. The very first move the government made was to impose closure on the time of the committee. We were in fact given approximately one month to examine the bill and the many witnesses who had signified their intention of appearing and giving evidence.

I should like to speak on one aspect of the experience of this bill that was dealt with by the hon. member for Vancouver-Kingsway in her speech last Thursday, and again in her intervention on Friday last. In my experience in this House, and in participating in committees of this House, I have never seen the government impose such rigid discipline on its members, actually denying members the right to participate in the examination of this bill as it did with its own members when the bill was before committee.

Some hon. Members: Hear, hear!

Mr. McGrath: The hon. member for Vancouver-Kingsway, who has an amendment before the House which I support and commend to members, was denied the right time after time after time by the government members on that committee to be heard in that committee—and not only the hon. member for Vancouver-Kingsway.

I should like to point out for the benefit of the House some other very interesting aspects of the examination of this bill by members of the committee. The hon. member for Cochrane (Mr. Stewart) had been the very distinguished chairman of the Standing Committee on Broadcasting, Films and Assistance to the Arts all during the last parliament and the one before, and has been a member of this committee ever since. Yet the hon. member for Cochrane was denied the right to sit on this committee because of his known opposition to the bill.

The Acting Speaker (Mrs. Morin): Order, please. Motion No. 4 deals with the definition of a Canadian magazine. Perhaps the hon. member would limit his remarks to the motion.

Mr. McGrath: Madam Speaker, we are dealing with report stage of the bill and I am bringing my remarks to the amendment of the hon. member for Vancouver-Kingsway now before the House and the reasons why it was necessary for her to move the amendment. I was talking about the hon. member for Cochrane who had been the distinguished chairman of the committee and who was denied the right not only to sit on the committee but to participate in it because of his opposition to this bill.

● (2100)

The hon. member for Vaudreuil (Mr. Herbert), another outstanding and dedicated member of that same committee, was also denied the right to participate in its debates because of his opposition to the bill.

Some hon. Members: Shame!

Some hon. Members: Oh, oh!

Mr. McGrath: And what about the opposition to this bill of the hon. member for Timmins (Mr. Roy)? Was he given an opportunity to participate in committee?

Mr. Baker (Grenville-Carleton): Never.

Mr. Roy (Timmins): Madam Speaker, I rise on a point of order—

Mr. McGrath: And what about the hon. member for Scarborough West (Mr. Martin) who made such an outstanding contribution—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Timmins is rising on a point of order.

Mr. Roy (Timmins): Madam Speaker, I do not like to disappoint the hon. member, but I never requested the opportunity to participate in that committee.

Some hon. Members: Hear, hear!

Mr. McGrath: Madam Speaker, I understand why the hon. member did not request the opportunity to sit on the committee. He knew what happened to his colleague from Cochrane, to his colleague from Vancouver-Kingsway, and to his colleague from Vaudreuil. They were all denied the right to participate.

The Acting Speaker (Mrs. Morin): Order, please. I remind the hon. member that motion No. 4 has to do with the definition of a Canadian magazine. The motion is restricted in scope and the hon. member ought to address his remarks only to the motion. The remarks the hon. member is presently making could be made on third reading.

Mr. McGrath: Madam Speaker, I intend to participate in the debate on third reading. I submit to you, with great deference, that we sat here last Friday and last Thursday and listened to hon. members make the same kind of intervention that I am making this evening.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member has been brought to order several times. He must speak to motion No. 4 or the subamendment.

Mr. McGrath: Madam Speaker, I was merely trying to speak in the vein in which other hon. members have spoken, including the hon. member for Vancouver-Kingsway and including the chief government whip, the government's disciplinarian. I am trying to set the record straight, because the hon. member for Vancouver-Kingsway, and really this is what my remarks are all about, stood in her place and said she was denied the right to participate in the committee; she was denied the right to contribute to the deliberations of that committee. I submit that what the hon. member said was accurate and is a matter of record.

It is obvious that the government's bill is a shambles. I can only echo the words of the hon. member for Scarborough West, a government supporter, who said in the House last week that it would be in the public interest to withdraw this bill. He said that this bill was not, in fact, in the public interest.

Mr. Martin: Madam Speaker, I rise on a point of order. I appreciate very much being referred to in the remarks of the hon. member for St. John's East (Mr. McGrath) but I wish that he would keep to the context of what I actually said. I do not think I indicated at any time that Bill C-58 as such should be withdrawn. I supported the amendment—and this is the reason for my concern—because the 80 per cent content rule was not contained in the legislation.

Mr. McGrath: Madam Speaker, that was not a point of order. It was a point of debate, and the hon. member ought to know better.

The government is in trouble with this legislation, and knows it. The government ought to harken to the advice of some of its own supporters and withdraw this bill. I say that, even in view of the back room accord which has been reached in the case of *Reader's Digest*. That decision could be withdrawn at any time at the whim or the pleasure of the Minister of National Revenue (Mr. Cullen) or his successor. That minister, or a successor in that portfolio, could withdraw tomorrow the interpretation leading to the accord and redefine what is meant by "substantially the same," or "80 per cent different". That will show you the

kind of future *Reader's Digest* can expect in this country. I submit that the Leader of the Opposition (Mr. Stanfield) was correct when he said that this is just not good enough. This is not the way to treat a company that has been a good corporate citizen of this country and has provided Canadians with good reading material for the past 30 years.

In my view this bill is not aimed at *Reader's Digest*, and I do not say this merely because of the accord entered into with that magazine. It is aimed solely at *Time* magazine. And what will it achieve? If passed, the bill will be instrumental in displacing from their jobs 45 Canadians who are with *Time*. It will do away with the Canadian section of *Time* magazine, with all its faults; if that is not counterproductive I do not know what is. More particularly, and I think this explains the government's persistence with this bill, it will satisfy Senator Keith Davey and the publishers of *Maclean's* magazine, and nobody else.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Hamilton West (Mr. Alexander).

Mr. Lincoln M. Alexander (Hamilton West): Madam Speaker, I had not intended participating in this debate.

Some hon. Members: Hear, hear!

Mr. Alexander: My hon. friends opposite can jeer, hoot, yell, and scream all they want. I tell them that since coming to the House of Commons I have never received so many letters on any subject, if one excludes the tax reform legislation, as I have on this subject.

An hon. Member: You've got to be kidding.

Mr. Alexander: I hear an hon. member say, "You've got to be kidding." I tell the hon. member I have received many letters indicating that the vast majority of Canadians dislike the government's approach to the subject, do not like what the government is doing, and resent what the government is trying to force down the throats of the people.

Mr. Hnatyshyn: It's a cruel and unusual punishment.

Mr. Alexander: I admire the hon. member for Vancouver-Kingsway (Mrs. Holt).

Mr. McGrath: She's a good member.

Mr. Alexander: She's an excellent member because she stands up to be counted. She is not like the rest of her colleagues who run and hide their heads in shame behind the curtain.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Stand up to be counted.

Mr. Alexander: Her subamendment makes sense. She will have nothing to do with content, an unworkable concept which can destroy most Canadian periodicals, magazines and newspapers overnight.

Mr. McGrath: Especially magazines like *MD of Canada.*

Mr. Alexander: As my hon. friend from St. John's East says, especially magazines like *MD of Canada.* Adopting the content approach would bring disastrous results to such magazines which serve the medical profession and others. The government's approach could destroy these magazines.

An hon. Member: When did you last read *MD of Canada*?

Mr. Alexander: Motion No. 4, as amended by the hon. member for Vancouver-Kingsway would read:

That Bill C-58, an act to amend the Income Tax Act, be amended in Clause 1 by adding immediately after line 14, at page 1, the following.

(2) Notwithstanding the provisions of this act or regulations, a periodical shall be deemed to be a Canadian issue of a Canadian periodical if 75 per cent of its directors and ownership are Canadian and its editing and publication functions are controlled and conducted in Canada.

No member in his right senses will fault that. Any who fault it sit on your right, Madam Speaker, with one or two exceptions.

Why have hon. members opposite not supported the significant contribution the hon. member for Vancouver-Kingsway made in moving her subamendment? It seems to me that the government is trying to save certain periodicals operating in this country. This bill will not save Canadian periodicals. I will explain why.

The other day the hon. member for Ontario (Mr. Cafik), who has been involved with this bill from the beginning, put on record significant statistics relating to Canadian advertising dollars. If I am not mistaken he said that only 2 per cent of advertising dollars in Canada is directed to periodicals, whereas 6.5 per cent of the advertising dollars spent in the United States is directed to periodicals. He said that 20 per cent of the advertising dollars spent in this country is directed to radio, television and newspapers. In effect he said that if Bill C-58 passes, there will not be much future in Canada for Canadian periodicals. That point we cannot escape or ignore.

● (2110)

Something else that bothers me involves the lack of interest in consumer concern. No matter how you put it, this is cultural censorship, a denial of free access to information which includes that given by *Reader's Digest* and *Time* for over 30 years. It has unquestionably been of significant benefit to Canadians. They like it and they want it. The letters that I received registered that concern without any equivocation whatsoever.

We talk about equity. The backdoor deal and the hanky-panky of the Minister of National Revenue (Mr. Cullen), which saved *Reader's Digest* but gave the axe to *Time*, are discriminatory, unprincipled, heavy-handed and callous. This is surely an inequity. If the government moved in such a way to save *Reader's Digest* there should be some effort on the part of the government to recognize the plight of *Time*. However, the government believes in discrimination in this regard.

The Secretary of State (Mr. Faulkner) is unbending. The Minister of National Revenue is unbending. He has now set up the Cullen tribunal whereby interpretation of "substantially the same as" is now within his hands and those of the bureaucrats. It is not within the purview of the courts of this land. That is another important issue. A principle

has now been set which can be said to be dangerous in both its intent and conclusion.

As I listen to the debate I wonder why the government is so hell-bent in moving the way that it is, keeping in mind the legitimate concern that has been registered not only on this side of the House but by members of all parties. They have indicated to the government that it should slow down. It is moving in the wrong direction. The government is moving in a direction that the future will unquestionably show was wrong and which cannot by itself, in terms of this bill, save Canadian periodicals.

In conclusion I have no hesitation in supporting the amendment of the hon. member for Vancouver-Kingsway. I ask government members in particular to listen to what the hon. member for Vancouver-Kingsway and the hon. member for Ontario have indicated because I believe they are on the right track. Being on the right track I respectfully submit that this bill should be sent back, withdrawn, and redrafted in order to bring about principles and attitudes that are consistent with the needs of the Canadian consumer, something the government has completely ignored.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Madam Speaker, it was not my intention of speak in this debate, but I was moved to do so by virtue of some of the rather unfortunate comments made by the hon. member for Comox-Alberni (Mr. Anderson) in attempting to answer the very legitimate and pungent complaints and observations raised by my colleague, the hon. member for Surrey-White Rock (Mr. Friesen).

Members on the government side have made a real attempt to misconstrue the points raised by members on this side. The great majority of those in this House are certainly interested in trying to promote and encourage the Canadian publication industry. We want to encourage the vital publishing industry of which this country is capable.

As pointed out by the hon. member for St. John's East (Mr. McGrath), this particular piece of legislation was brought forward by the government through the process of closure. In my estimation and observation, there has been a manipulation on the committee side. It is an indication that the government is rather uncertain of its position. It would very much like to curtail the debate that is taking place, not only in this House but in the media and among the people of the country.

There are two facets of this debate that bother me. One is the crux of the complaint raised by members of the opposition. Through the government's negotiation with *Reader's Digest* and its decision with regard to Canadian content, the fact is that the matter is simply up for grabs in negotiation with the government of the day.

Even though I have only been here a short time I find it obvious that the amendment presented by the hon. member for Vancouver-Kingsway (Mrs. Holt) and the hon. member for Ontario (Mr. Cafik) is absolutely essential if we are to have any semblance of reasonable application of the law respecting the publishing industry in Canada today.

I do not care how many ways government members argue that this is not censorship and that they are not interfering with the publishing or involved in determining which publications will be published in Canada. It is obvious from what happened with regard to *Reader's Digest* that there is a great degree of flexibility, that the government can, and in fact will introduce into its application just who can get tax credit for advertising in Canada. Therefore this is a very unfortunate situation that we face today.

As a member of the Joint Committee on Regulations and Other Statutory Instruments I spend a lot of time considering regulations. I thought I was put on that committee as a form of punishment for a new backbencher because every week I am faced with mounds of regulations. The committee looks at regulations in an attempt to see whether they are in fact authorized under the governing statute, whether they in fact carry out the principles of natural justice, or whether they are arbitrary and ultra vires of any particular act. My experience on that committee leads me to believe that wherever possible we should be as specific and explicit in our laws as we can in the statute, as opposed to leaving the matter to legislation through order in council and regulation. This is what we are experiencing at present.

● (2120)

There is no definition of what constitutes Canadian content or of what constitutes a Canadian publication. What prevents the government putting forward a straightforward definition of Canadian content in percentage terms? Why not do so and leave the interpretation of such a definition to the courts, as opposed to a tribunal or to the discretion of the minister at any particular time?

The publishing industry is a large one and we realize that a fair amount of money is being made by successful magazines. I suggest that if we allow the government's proposal to go forward we may find that the stakes are sufficiently high as, possibly, to produce a backroom situation involving members of any particular administration with respect to obtaining a favourable interpretation of what constitutes a Canadian publication so that a magazine can obtain tax benefits by conforming to the definition. The proposition being put forward by the opposition is a reasonable and sane one. I commend it to members on the government side. It is not what one could call a big deal. We are simply asking the administration to put its definition into a statute and to take it out of the realm of arbitrary decision by a cabinet minister.

I am surprised that more members on the government side are not coming out in support of this view, that they are not coming forward to "give Ottawa a jolt", or perhaps to "give Ottawa a Holt!" I commend the hon. member for Vancouver-Kingsway for her actions in connection with this bill, a responsible move on her part to bring some sanity to the legislation before us. I should like to see more hon. members supporting her stand.

I am not normally convinced that editorial comment should dictate the policy we adopt in this House but I am impressed that editorial pages are increasingly questioning the wisdom of the government in persisting in its present course of action. I am sure that when the announcement was made confirming that an arrangement had been reached between *Reader's Digest* and the government making it possible for *Reader's Digest* to come within the

terms of the bill, the government believed it had taken the heat out of this issue and solved a substantial part of its problem. Madam Speaker, questions of principle are not so easily set aside by arrangements of convenience, and the principle involved in this legislation is far more important than whether the government has been able to reach an accommodation with *Reader's Digest*.

Suppose that next year *Reader's Digest* were to contemplate making some change in its policy. Would it be making any new arrangements with the government in consequence and, if so, would the government be so receptive once the legislation had been passed into law and the issue was no longer before the public eye? Would the attitude of the government change when the subject was no longer a matter for discussion in the House of Commons? Possibly we should keep this debate going so that the people of Canada might have an opportunity to communicate with the government—

An hon. Member: Filibuster!

Mr. Hnatyshyn: I am trying to make a concise and reasonable contribution to the debate. When one tries to be logical, members on the other side begin to get nervous.

An hon. Member: You were nice and short on television and more effective.

Mr. Hnatyshyn: There is no provision for television editing in the House of Commons, so I shall have to ask hon. members to bear with me a little longer.

The hon. member for St. John's East made a valid point when he indicated that the reason we are dealing with these amendments on the report stage is because the participation of members on the government side who had taken part in the proceedings in committee had been thwarted. This is one of the criticisms levelled at the committee system as it operates in practice. Had the government taken a more flexible approach, had it allowed its members on the committee to take part in the proceedings without restriction and to put forward amendments at that stage, the progress of the bill might have fared far better.

There is no surer way of giving rise to a long debate on legislation than by first of all imposing closure, and then, second, by trying to manipulate the membership of a committee. I hope the government learns something from this debate and that in future it will allow its members to continue to sit on a committee even though they may hold certain views which are contrary to those held by the government with respect to legislation under consideration.

I want to assure members on the government side that, as far as I know, we are as interested as they are in the Canadian publishing industry. I believe though that we place more emphasis on a positive approach to encouraging the industry in Canada as opposed to the questionable, negative approach the government is taking and the generally vague legislation it appears determined to enforce.

● (2130)

I ask hon. members to encourage the government to withdraw this legislation, because basically it is bad. If that is not possible, I ask the government to allow the legislation to remain unpromulgated for at least one year so as to allow the publications affected by this legislation to make appropriate adjustments. It seems to me if the government demonstrates it is genuinely interested in dealing in a fair and even-handed way with this problem, instead of adopting a heavy-handed attitude, it will have far better success in getting this legislation through the House.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise somewhat reluctantly because I do not like to stand in my place at any time to support something that the government does, since it does so many bad and ridiculous things. However, I doubt very much whether this legislation is one of them.

A great deal as been said in this debate by members on both sides about censorship. I have had the opportunity of listening to and reading some of this debate, so tonight I decided to take a look at the bill.

Some hon. Members: Hear, hear!

Mr. Leggatt: I know I am a little late but it would seem to me useful if all hon. members read the legislation, which occupies only one and a half pages and is simple to read.

Mr. Munro (Esquimalt-Saanich): You have to look at the main act as well.

Mr. Leggatt: I can assure the hon. member that I have read that too. This bill says, in effect, two things. First, it says that those Canadians advertising in a non-Canadian newspaper which is directed primarily to a market in Canada will no longer receive a tax deduction. Secondly, it says that those advertising in the broadcasting media will no longer receive a tax deduction for an advertisement directed primarily to a market in Canada and broadcast by a foreign broadcasting undertaking. In other words, the tax advantage given to two particular publications has been removed. We have spent a good deal of time in this House talking about a red herring, in my opinion. I am just wondering how long it will be before Canadians start to grow up and try to be Canadian for a change.

I am sorry the hon. member for Dauphin (Mr. Ritchie) is not here, but he was so worried about CP Air advertising in *Newsweek* to encourage United States traffic to use CP Air services. This situation is clearly covered by the bill. The bill refers to advertising that is directed primarily to the Canadian market. The market referred to by the hon. member is the U.S. market, so CP Air would clearly be allowed the deduction my hon. friend was so worried about.

Mr. Towers: Read the bill again; you obviously do not understand it.

Mr. Leggatt: Now, Mr. Speaker, what are we about here? What is the bill trying to accomplish? It is not a question of who will be allowed to publish. We have been determining what is substantially Canadian and what is substantially foreign for some time now. Where were all these defenders of freedom over the last 20 years when we were making determinations in connection with *Newsweek* and similar magazines? In terms of intent, this legislation does nothing more nor less than determine who in the publish-

ing industry in Canada will be assisted. The bill has nothing to do with who will be permitted to publish. There is no tariff being imposed at the border. I suggest the arguments so far has been a red herring. I welcome publications from all over the world, and so does every other Canadian. It is wrong to scare the Canadian people with the idea that somehow we are spending our time trying to determine what they can and cannot read.

An hon. Member: I am glad somebody over there has read the bill.

Mr. Leggatt: What the minister has done in regard to *Reader's Digest* gives some of us considerable cause for thought. I welcome the attempt of the hon. member for Vancouver-Kingsway (Mrs. Holt) to amend this legislation; the amendment should be right in the bill where it belongs. I very much regret the Minister of National Revenue (Mr. Cullen) making this kind of, I would have to say sweetheart deal with *Reader's Digest*, because no such deal has been made with *Time*. It was completely unnecessary to make that special arrangement. It was not out in the open.

I can understand why this debate is being dragged out. I presume that tomorrow there is going to be another announcement that somehow the rules have been changed as well for *Time*, though I hope not.

An hon. Member: What was changed?

Mr. Leggatt: The content rule and the licensing provisions. The hon. member knows very well what was changed. I see the minister is shaking his head. Surely the pool of articles available to *Reader's Digest* in Canada is under licence in terms of the U.S. parent company. In other words, the editorial content of that Canadian magazine is being determined by the pool of articles that is available to the Canadian publication. This being the case, one of the provisions of the legislation has been defeated by the minister's sweetheart deal with *Reader's Digest*, and that is why I regret it.

I think *Reader's Digest* should carry articles gathered from all kinds of places. We do not need a special arrangement between *Reader's Digest* of Canada and *Reader's Digest* of the United States since the pool of articles has already been determined and copyright exists. If the minister says I am wrong, then fine, but it seems to me that we are defeating one of the purposes of the legislation by allowing re-editing in Canada of this narrow pool of articles which are not generally available to *Reader's Digest* in Canada. In other words, it is not a Canadian digest at all. Once more we have an American magazine masquerading as a Canadian magazine, and therefore giving it a tax advantage that the government so rightly took away under this bill.

My intervention, Mr. Speaker, is brief. I cannot support the amendment of the hon. member for Vancouver-Kingsway though I am pleased to see her put it on the order paper. I am glad she has tried to make it part of the legislation, where it belongs, so we can engage in some meaningful debate about it. That is all I wish to say at this time, Mr. Speaker.

[Mr. Leggatt.]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, it is not my desire to launch myself into any kind of attack on another member and I do not propose to do so this evening, but I am very concerned about some of the comments made on this bill by the hon. member for New Westminster (Mr. Leggatt). I am concerned about his over-simplification of the intent of this bill, about his interpretation of it. There is nothing at all simple about this bill. I challenge the hon. member to give the House an indication of what is simple about the bill other than perhaps the people who drafted it.

● (2140)

Let me liken the amendment that has been proposed and the bill before us to the policies of the previous provincial government in Victoria. That government also wanted to get into the ball game of deciding what the people should read, or at least what they would see and hear through the television media. I refer to the infamous Channel 10 situation. That channel was supposed to be an educational channel, but was really a propaganda machine of the administration of the time. I know the hon. member for New Westminster will reject that proposal out of hand, but nevertheless this was of very real concern. Taking into account the kind of minister who was proposing this and what subsequently happened to him, I am not ready to be convinced that this was not really a propaganda ploy of that government at that time.

I really must say that you cannot have it both ways. Either it is censorship or a form thereof; either it is propaganda or a form thereof, or it is not. It is just that simple, and that is the only simple thing about it. The only simple thing is the basic thrust and the intent of the bill.

Having regard to the amendment proposed by the hon. member for Vancouver-Kingsway (Mrs. Holt), I must say I am astounded at the lack of favourable response on the part of those on the other side. I think it is a sensible and a reasonable proposal. I am also astounded at the lack of acceptance by the government in respect of all the amendments that have been put forward to this bill. Surely the government has received some kind of message by this time. Surely it realizes what our position is in respect of this bill. Surely the government must realize the kind of concerns we have. Are we concerned because of some kind of political motivation or some deep ingrained Tory philosophy? Of course that is not the case. We are concerned because of a sense of knowing what is right and what is wrong.

Let us get back to this old red herring we have heard so much about. In fact it is no longer a red herring, it has become a mighty great whale that we are supposed to be dragging across in respect of this item of censorship.

An hon. Member: A red whale.

Mr. Brisco: There is no question in my mind as to the intent and the thrust of this bill. I am sure there is no question in that regard in the minds of any of those who have taken part in this debate or brought forward amendments. I have no brief for *Maclean's* magazine or for Canadian publishers. Surely if they were going to, they have had the opportunity to make it on their own. That opportunity has long since presented itself. I am not opposed to the basic idea of taxing *Reader's Digest*, *Time*, or

requiring Canadian participation. That is an excellent idea to which I am not at all opposed.

What I am opposed to is this vague thing introduced by the Minister of National Revenue (Mr. Cullen). The minister knows, and this has been discussed in the House, that he has been placed in an impossible dilemma. He realizes the bill should include regulations. Where are those regulations? In order to have these regulations put into effect the minister has recourse to one simple expedient. He should withdraw the bill from the House and send it back to the committee. That committee should have on its membership the hon. member for Vancouver-Kingsway and one or two others from the other side of this House who could then assist in redrafting the bill so that it might be brought back into this House where it would then make sense and be safe for Canadians. The minister knows he is stuck with a bill that is unfair and destructive, and is stuck with a procedure that is undemocratic.

How can the Crown interpret the law for the purpose of achieving a direction which is against the literal meaning of the law itself? Of course it cannot, but that is in fact what the Minister of National Revenue seeks to do, and by doing that he abrogates to the government powers it does not now have. This is a very dangerous precedent. It is dangerous to the security of the public and it is dangerous to the sanctity of the law. Our lives are governed far too much now by regulation and, my God, we see examples of that every day in this House and every day in our offices.

The minister is faced with a *fait accompli* unless he withdraws this bill and allows those government members to support the motion by Simma. I am sorry, I really should not refer to her by name as that is not done in this place. I had made reference to the hon. member for Vancouver-Kingsway. We have such affection for that hon. member that it is very easy to address her by her first name.

Some hon. Members: Hear, hear!

An hon. Member: Come over to this side where we love you.

Mrs. Holt: I like it here.

Mr. Brisco: As a relative newcomer to this House and to the system of things here I wonder quite frankly how much different and how much improved legislation would be if hon. members on the other side would listen to the reasoned arguments of their confrères. But no, as has been written into the context of the records here, like trained seals they pound their desks in approval or denial.

Some hon. Members: Oh, oh!

Mr. Brisco: Did the hon. member wish to ask a question?

An hon. Member: You have to say something before we can.

An hon. Member: And that is the longest speech you have made during this session.

Some hon. Members: Hear, hear!

Mr. Brisco: May I continue now that these unreasoned interjections of the hon. members have ceased?

Non-Canadian Publications

The Acting Speaker (Mr. Turner (London East)): Order, please.

Mr. Brisco: This evening I had the opportunity of reading through the review of another publication, *MD of Canada.*

An hon. Member: Oh no.

Mr. Brisco: Mr. Speaker, I wonder if there is some way that hon. member referred to as "radar" over there could zip his lip? It would be different if what he had to contribute made sense. In any event, I had the opportunity of reading a review of *MD of Canada,* and I am sure the hon. member for Welland (Mr. Railton) is familiar with that journal. I recognize there is an amendment to look after these supposedly professional, agricultural, and trade magazines, but without accepting this amendment there will have to be other exceptions made. I suggest that we should deal with them all right now.

An hon. Member: Remember that phrase "from time to time".

Some hon. Members: Oh, oh!

Mr. Brisco: Either we deal with the whole thing now by taking this bill out of the House and sending it back to the committee where it belongs, or we will have to deal piecemeal with all these anomalies and odd situations which will occur as we progress. We will have to look after all these oddballs, these so-called loopholes with reference to these trade journals and professional magazines.

An hon. Member: To whom are you referring?

● (2150)

Mr. Brisco: Mr. Speaker, was someone addressing a question to me?

Mr. Deputy Speaker: Is the hon. member for Mississauga (Mr. Abbott) rising to ask a question?

Mr. Abbott: Yes, Mr. Speaker. Since the hon. member referred to oddballs I wonder if he would identify to whom he was referring.

An hon. Member: There are too many of them.

An hon. Member: Don't take it personally.

Mr. Brisco: I am sorry, Mr. Speaker, if the hon. member took my reference to oddballs as a personal affront. That is his problem, not mine. I shall continue with the debate. This afternoon I had the opportunity to review *MD of Canada.* I was very impressed by its international flavour and content, just as I would be equally interested in reading the cattlemen's magazine with its international flavour and content and its articles submitted by foreign authors not referring to things in Canada but things which affect Canadians, be it in medicine, agriculture, the beef industry, or whatever.

My concern is that somewhere down the line this type of journal will be affected if it cannot be favourably covered by the legislation. Finally, my concern is that I have more than five minutes to go. Surely there is another member over there with another question.

Non-Canadian Publications

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. We are very anxious to deal with this bill as fully and as fairly as we can having regard to the important principle involved. I would respectfully suggest that government members who persist in interrupting members of the opposition when they are speaking are doing nothing to advance this. If government members are truly anxious to have this matter proceeded with they should sit quietly and allow opposition members to make their speeches, and extend to us the same courtesy we would extend them if they chose to speak on this bill.

Mr. Blais: Mr. Speaker, I must rise on this point of order. The hon. member for Grenville-Carleton (Mr. Baker) at about five minutes to ten tends to be very farcical. This bill has been subject to a filibuster since last Thursday. From the quality of the debate from the other side and the remarks made by the hon. member for Grenville-Carleton it is evident that an attempt is being made by the opposition to delay passage of this bill and to prevent effect being given to the will of this House.

An hon. Member: What will?

Mr. Deputy Speaker: Order, please. There was quite a bit of noise in the House and I think the hon. member who had the floor should be entitled to continue.

Mr. Brisco: I thank you, Mr. Speaker, just as I thank the hon. member for Grenville-Carleton (Mr. Baker). After a full day in this House and a full day in my office—and the same applies to other members—it may well be that the quality of the presentation and debate perhaps dwindles somewhat as the hour approaches ten o'clock.

That should be no reflection on the sincere efforts of members on this side of this House and some from the other side of the House to be heard in their attempt to see that this bill is removed from the House, or at least amended as proposed by the hon. member for Vancouver-Kingsway.

An hon. Member: Right on.

Mr. Brisco: Mr. Speaker, one of the very interesting things in respect of this bill is the fact that in the beginning there was a wave of nationalism on the part of the Canadian public that was really quite interesting. However, that wave of so-called nationalism has waned as the public has perceived the true purpose and intent of this Liberal bill. There is no question about the manner in which my constituents and those of other members have addressed themselves to this bill. Their concern is now being reflected and is the antithesis of the proposal originally put forward in this bill by the Secretary of State (Mr. Faulkner).

It is interesting to note the backlash from the backwoods, to the grassroots if you like. These are the people who are most concerned and who will be affected and who will be affected. The little old lady who reads *Reader's Digest* is the type of person writing to me. These people are really concerned. Let me return to the amendment of the hon. member for Vancouver-Kingsway. I would support this amendment right down the line.

Some hon. Members: Hear, hear!

[Mr. Brisco.]

Mr. Brisco: Either there is support for this amendment, which is intelligent and well thought out, or the bill will be denied by this House and by this party. It is either that, or the bill must go back to the committee. I would urge that this House and the minister reconsider the decision. This debate is being prolonged and protracted, as the minister knows, simply because this side will not give an inch on Bill C-58 until it has been intelligently amended. At this point I would inquire of you, Mr. Speaker, if it would be safe to call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AGRICULTURE—REDUCTION IN FEDERAL SHARE OF COST OF CROP INSURANCE—GOVERNMENT ACTION TO OFFSET

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, on December 20 last I asked the Prime Minister (Mr. Trudeau), in the absence of the Minister of Agriculture (Mr. Whelan), whether the $10 million reduction in the federal share of crop insurance will mean that the farmers, and the provinces will be expected to cover this reduction. The Prime Minister replied: "In our cuts we are expecting everybody to bear some share of the sacrifice . . ." Surely the Minister of Agriculture should have said he would make cuts in other areas rather than important programs such as crop insurance, farm credit, and so on.

● (2200)

Out of a total budget of $664 million it would have been better to reduce expenditures first in the area of professional and special services, utilities, materials and supplies, which total $9.4 million and $12.8 million respectively in the 1975-76 estimates, since the former too often causes morale problems, and the latter too often proves to be unnecessary.

Federal contributions to crop insurance have grown from $16 million in 1973, to $30 million in 1974, to $49 million in 1975, to a projected $62 million in 1976; and some .1 million is to be subtracted from the $62 million. However, the federal government is already committed to give a certain level of contributions to the provinces.

What happens if the projected figure of $62 million is reached for the level of federal contributions? Where does the crop insurance section get this extra $10 million? No one seems to know.

In 1976 the federal government is committed to make a certain level of contributions; 1977 is different. The crop insurance people talk of restricting the amount of insurance available to an individual.

For example, if strawberries can be insured up to a 70 cents per pound level, this would be cut back to a maximum of 60 cents per pound. Does this not go against the

very concept of insurance? The aim of insurance is to protect from unforeseen losses. Reducing the maximum level of insurance only seems to harm the farmer's interests more.

In farm credit it originally had $400 million to give out in loans. This was cut by $20 million in June of 1975, and by another $20 million in December. These cuts have severely constrained the farm credit program. Already the farm credit corporation has committed part of next year's funds. This means fewer people will receive loans. In 1974 the average size loan was $50,000. In 1975 it was $65,000. Inflation and higher input costs have caused this rise so that now, when costs are at their highest, loans are at their lowest.

On farm credit loans a farmer pays 9 per cent interest and has 29 years to pay it back. Such aid is invaluable to the young farmer just starting out. However, with these cutbacks the Farm Credit Corporation seems to be becoming more conservative and refuses to lend money to those farmers it considers to be risks. This latter group usually includes the young farmers.

Rather than attacking these programs, why did the President of the Treasury Board (Mr. Chrétien) not look elsewhere for cut backs? In the Department of Agriculture itself cuts could have been made in professional and special services, and in materials and supplies. The former group is largely made up of consultants and these outside people have often caused morale problems among regular workers. Their budget has soared 35.7 per cent from the 1974-75 estimates of $6.9 million to the 1975-76 estimates of $9.4 million.

One cannot help wondering why the Department of Agriculture needs $12.8 million for material and supplies? Is its turnover rate for furniture etc., that high?

Although cuts in government spending are necessary it would seem that the government is wrong in making cuts in crop insurance and farm credit. These cuts will only exacerbate the problems of many farmers. Should these problems not be met now, when costs are reasonably low, rather than in the future when it might be too late?

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, since 1959 the federal government has assisted the provinces in making all-risk crop insurance available to Canadian farmers under the authority of the Crop Insurance Act. The program is designed to stabilize incomes of individual producers by a guarantee against losses by natural hazards. For those farmers who have purchased crop insurance there has been a satisfaction of security and protection against crop loss disaster and many farmers who have experienced crop losses have been paid indemnities.

Crop insurance is a joint federal-provincial program in which the federal government, the provincial government, and producers participate. The program is most beneficial to producers as the producer pays for only 50 per cent of premium costs and none of the administrative costs.

The Minister of Agriculture (Mr. Whelan) has written to all his provincial counterparts explaining to them the reasons for restraining the increases in expenditures for the 1976-77 fiscal year. Officials of the provincial governments have generally expressed agreement with the restraint policy undertaken by the federal government. Provincial crop insurance officials have indicated to the department their willingness to meet with our officials to negotiate a mutually satisfactory means of implementing the announced intentions. Therefore the precise manner by which the reduction of federal contributions to this program will be accomplished has not yet been determined. It is not anticipated that the current costs sharing formula will be altered in the next crop year. Therefore there should be no additional cost to either the provinces or the producer.

The commitment of the federal government to this program is clearly indicated by the growth of the program in recent years. In the 1974-75 fiscal year expenditures under this program amounted to only $31 million. Contributions in the current year are expected to reach some $49 million, an increase of $3 million, or approximately 5 per cent, over the 1975-76 program has been provided for—even after the reduction of $10.1 million. Therefore it should be quite evident to all that the federal government is not reducing its participation in the crop insurance program, but rather, is applying some restraint to the rate of growth.

It remains the intention of the government to support the crop insurance program as a primary means of assistance to producers who suffer serious crop losses as a result of natural hazards.

MANPOWER—POSSIBLE ELIMINATION OF SOME YOUTH ASSISTANCE PROGRAMS—ALTERNATIVE MEASURES TO INCREASE EMPLOYMENT OPPORTUNITIES

Mr. David MacDonald (Egmont): Madam Speaker, I am returning this evening to a question which has concerned me for some time, one with respect to the chronic and consistent high unemployment rate among young Canadian people under the age of 24 years.

May I say at the outset that the Minister of Manpower and Immigration (Mr. Andras) is in the House to respond to this question and I think this is an indication of the seriousness of his concern with this issue. I believe that the minister has tried very strenuously to provide some workable solution to what I consider one of the most serious social situations that exist in this country. It is not something new; it is something that has existed for some years and has been particularly exacerbated during the time the Trudeau government has been in office.

I suspect when the history of the eight or nine years that this government has been in office—

Mr. Pelletier: Twenty years.

Mr. MacDonald (Egmont): I would hope if it should befall this country that the government is in office that long that it will not have as sorry a record as it has with respect to unemployment among young people—we would have millions of young people who would have undergone the most disheartening situation of being unemployed for a long time.

On December 11, prior to the introduction of the anti-inflation measures taken by the government in the middle of December, I asked the Prime Minister (Mr. Trudeau) whether rumours suggesting that programs like Oppor-

tunities for Youth and the Company of Young Canadians would be curtailed. The Prime Minister simply indicated that the government was aware of the importance of those programs and also was aware of its own responsibilities with respect to anti-inflation measures. In spite of the fact that on December 11, when I raised the question, some 317,000 young people were unemployed—a figure which has now risen a month later to 327,000 unemployed and I suspect when we receive the figures tomorrow it will again show an increase—the only kind of firm indication that the government was concerned about this problem was the announcement that the Department of Manpower and Immigration was assigning $24 million to obtaining student employment next summer.

● (2210)

That would create an estimated 12,000 jobs, a drop in the bucket, and far fewer jobs that the government had said it would create by way of various programs established in the preceding three or four years. That shows how much the government's anti-inflation fight is being fought on the backs of the disadvantaged and of those unable to protest against the government's action. Young people, for the most part, are not organized into pressure groups. Many of them are in secondary educational or post-secondary educational institutions, or have just left such institutions, and their job opportunities are limited.

Surprisingly, from time to time Prime Minister has made protestations to suggest that he takes the problem seriously. Although I congratulate the Minister of Manpower and Immigration for being concerned about this problem, I suggest that he ought to be more forthright than he was with my colleague from Hamilton West who, on December 9, raised specific questions about youth unemployment. The minister indicated then that a number of programs are designed to alleviate the problem of youth unemployment. He referred to such things as manpower mobility, youth training, counselling, and so on, general programs relating to the specific problem affecting young people. The minister was good enough to suggest that, after he had looked at the statistical trends on which the hon. member based his question, he might be able to answer the question in more detail, and presumably provide the country with leadership in alleviating this serious and continuing problem.

I will not read questions asked in the House in the past half dozen years about youth unemployment. Instead I shall quote from the report of the committee on youth, commissioned by the government in 1969, and received in 1970. On page 166 of the report there occurs the following passage:

> Not only is the rate of youth unemployment rising, it is consistently at a higher ratio among this age group than all others. It is evident, first of all, that no substantive solution can occur until one of Canadian economic policy's major goals becomes full employment within sectors, whether by age, sex or region.

After referring to the high level of youth unemployment that existed four or five years ago, the report said this:

> The present tragedy is more than personal; it is societal in scope. Canadian society cannot seem to generate a broad range of options for its young in the employment field.

The government has not been short of advice. It received the advice of the Hunter task force of 1971, and the advice of my party in the last general election. We said:

> For the immediate short term, a Progressive Conservative government would establish a jobs agency for young Canadians in the Department of Manpower to:
>
> a. co-ordinate and focus federal economic and social policies affecting youth employment;
>
> b. seek to co-ordinate provincial and private-sector policies affecting youth employment;
>
> c. provide a year-round national counselling facility designed to serve young Canadians; and
>
> d. provide young Canadians with one agency that would go out and locate potential jobs, encourage young people to come for aid in finding work, and encourage potential employers to consider hiring young workers.

Those are some of our suggestions. Since the government has not been reluctant to use some of our suggestions to do with other matters brought forward in 1974, I hope it will review some of the other things we said somewhat less than two years ago about this basic social problem. Perhaps this evening the minister, in responding to the question and to the concerns raised by the Prime Minister on December 11, will provide some leadership and encouragement.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, regrettably the three minutes for reply permitted on the late show does not allow one to cover the whole ground. Without question I share deeply the concern the hon. member has expressed with regard to this continuing phenomenon which has been exacerbated in Canada by the rapid growth of the labour force, a statistic with which we are all familiar. We share this misfortune with other countries which are beginning to realize the serious and perhaps all pervasive, long-lasting damage which can be done if we do not mutually find ways to correct the situation. Incidentally, I shall be attending an OECD conference in two or three weeks which will deal with this subject matter. I say that to give the hon. member some information. I hope it will help. I might also indicate that many other countries are facing the same problems without, unfortunately, yet finding pat solutions.

We have cut out Opportunities for Youth. I am glad to get the indication that that program was accepted by the hon. member. However, it was not accepted by all members of his party. It was, I felt, an unhappy necessity because of budget constraints on one hand and looking very carefully at where we get the biggest bang for a buck, if I can put it that way.

The hon. member understated the position when he mentioned that the $24 million will provide only 12,000 jobs. That is a fact with regard to the direct employment. There will be another 110,000 indirect jobs provided in unpaid program activities and the like.

I really think that to concentrate on where the solutions must be found in the intermediate and longer term, it will have to be in the private sector. I do not think in any size of job creation that we attempt to soak all of this that the government, as an employer of last resort, would be successful, and in fact could introduce other evils or difficulties that we better watch very carefully before we go that route.

About 85 per cent of the jobs provided to students in summer, in spite of the job creation of the federal and provincial governments working in co-operation, has been

in the private sector. That is where the gains are to be made if we are going to make them.

Last summer we operated 300 special Manpower centres for students. We received co-operation from such organizations as the Canadian Chamber of Commerce and so on. That has an ongoing lower budget, but far more effective in results than even Opportunities for Youth and the more visibly direct higher profile job creation efforts.

We also addressed ourselves to the employment needs of youth who were no longer in school and had entered the labour market on a permanent basis. It is unfortunate that they encounter a very high unemployment rate. However, I believe the causes are extremely complex. They will not be solved simply by job creation or by the federal government alone.

As unpopular as it may be in certain circles, I am increasingly convinced that part of our problem lies in the school systems. I am not knocking the provincial governments, but I hope they will begin to take a deep look at some of the schooling ideas of the last few years. In too many cases they are not preparing our young people to find gainful employment when they get out of school.

We are consulting businesses and the provinces about the employment problems of youth, as was suggested by the hon. member. We introduced 18 pilot youth employment service projects across the country. They are designed to provide specialized intensive employment placement and counselling service to youth. We do not yet have an evaluation about which I am satisfied. It is not that it is not good; I am simply saying that it is not complete. However, it is the right route.

I indicated that we have worked in co-operation with the chambers of commerce across the country and certain local school boards. This was a special program of job exploration and so on. There are many things we are doing. I hope to have a more appropriate and lengthy opportunity to place on record our ideas in this field.

AIR TRANSPORT—INTRODUCTION OF BILINGUAL AIR TRAFFIC CONTROL IN PROVINCES OTHER THAN QUEBEC

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, on December 18 last I asked the Minister of Transport (Mr. Lang) the following question:

Since the introduction of bilingualism for air traffic controllers is based on constitutional grounds, can the minister inform the House as to his schedule for introducing bilingual services into airports in other provinces of Canada?

The minister replied:

The studies which have been carried out relate essentially to the Province of Quebec, although there was an examination of the question in relation to the National Capital Region. The question of any possible extension is a very difficult one indeed because of the nature of the bilingual quality of the controllers who would be required and there is therefore no plan in this regard. Our first and obvious step is to examine the use of both languages in air traffic control in the Province of Quebec, as the statement I made the other day indicates.

● (2220)

I am deeply disturbed about this issue. I believe the bilingual program was well intended and that it has certainly met the needs of thousands of people who previously had been deprived of government services because they were unilingual French-speaking or unilingual English-speaking. But I am deeply concerned because the program is now being applied to an area which, I am convinced, is not so much a matter of the constitution as one of safety. A spin-off has been the public reaction across Canada.

The promoters of this plan have alienated many people who travel by air in this country. For example, I had a call from a lady in my riding who evidently travels east a good deal saying she would no longer take a plane into Montreal. That is too bad. Then again, because of the haste with which this program has been introduced, a reaction has developed across the country which is unfortunate. It is the impression among many people that the pressure of the bilingual program is so inexorable that people who are not unilingual French or who are not bilingual will be obliged to become bilingual whether they wish to do so or not.

The official position is based on constitutional argument but all of us know that questions involving emotion cannot be solved by the law. There are other ways of solving such questions.

It is my understanding that to be a fully qualified pilot, qualified to fly by instruments, it is necessary to know only approximately 120 English words. That is not asking too much of anyone who really wants to fly. I should like to think it is not too great a burden to impose. The issue here is one of safety.

I had the pleasure a few months ago of visiting Mexico City and on my return from that city I was privileged to sit in the cockpit of the plane while awaiting clearance from the tower for the take-off. I was wearing a headset and listening to the instructions coming from the tower. Most of them were in Spanish but in the jumble of words coming from the headset there was one instruction in English. I did not catch it, but the pilot, with his more acute perception, had no difficulty in doing so.

It may be one's constitutional right to be able to use one's native language, but in my view the lives of hundreds of people are more important than my right to use a particular language. When I hear there have been approximately 27 near-misses since this program began, and when I learn that the Ministry of Transport is refusing to publish details of these near-misses so that the public might be in a position to know about them, I have still greater cause to be concerned. It is now a fact that the tower in Moncton refuses to answer a call that comes in another language.

I have before me the *Canadian General Aviation News*, the January 1976 issue—I believe a very responsible journal. In an article it has this to say:

The Ministry of Transport appears to be reacting to political pressures in its announced intention to introduce bilingualism into these vital areas. The aviation community is frustrated by the fact that the knowledge and experience it can offer have been ignored. In particular the two groups with the greatest knowledge of the situation, the operational air traffic controllers represented by CATCA and the airline pilots represented by the Canadian Air Line Pilots Association, have continually opposed such action.

This Association cannot stand by while misplaced linguistic passion, emotionalism, and political pressure degrade what has been up until now the safest air traffic control service in the world, and jeopardize the safety of the hundreds of thousands of airline passengers who each month go through the airports of the province of Quebec, or the skies overhead.

[*Translation*]

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I must pinch hit for a colleague, and give the answer that comes from the department. But following that answer I will have a word to say to the hon. member who asked the question.

[*English*]

There is no schedule in existence at this time for introducing bilingual services into airports in other provinces of Canada, other than the possibility of such services being provided in the national capital region. Of course one compelling reason for this is that at the present time there are not sufficient bilingual controllers in the air traffic control service to provide such services outside the province of Quebec.

It is also essential that this entry into the provision of bilingual service in the air traffic control service in the province of Quebec, which it must be remembered is a new experience for both the pilots flying in this area and for the controllers providing the service in this area, must be certified to ensure that there is no decrease in safety. With regard to the question as to whether the bilingual or unilingual French pilots will in due course request bilingual service in other provinces, as the minister indicated earlier in reply to a question, this is a hypothetical question and I can only reiterate that at the present time we do not have any intention to provide bilingual services in other provinces.

[*Translation*]

Mr. Speaker—and that does not form part of the answer I have to give the hon. member—I travelled pretty well all over the world, and in most African countries, the French language is used, it is used in France, in Switzerland, in at least 32 countries, and I do not understand at all that the hon. member who lives 3,000 miles away from the place where that is going to apply should come and say that it is a nonsensical reason.

To say that it is a matter of safety rather than a constitutional matter is not really the answer. I travelled across this country. There are pilots who use French, and it is not because one uses that language that one is a less competent pilot than someone who uses the English language.

When you go to Russia you land in the Russian language; when you go to Spain, Italy or some other country of the world you land in the language of that country. I find it absolutely inconceivable that one would come up with questions regarding safety to try to justify a position that one would like to see respected.

The government of Canada already agreed to make it possible, not in the other provinces of this country but in Quebec, for pilots leaving an area of Quebec for another to be able to converse in their language. One would have to be unrealistic to try to take away that entirely legitimate right from people who live in a province and always speak the language of that province.

Motion agreed to and the House adjourned at 10:33 p.m.

HOUSE OF COMMONS

Tuesday, February 10, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

PROPOSED DEBATE ON REDUCTION OF MILK SUBSIDY—MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion on an urgent and important matter.

In view of the federal government's new dairy policy which reduces production quotas in Canada and of the quite illogical increase in dairy product imports which already represent 5 per cent of the national production of industrial milk, and in light of the federal government's decision to reduce the amount of grants to producers, thus reducing their income, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House request that a special and urgent debate be held to give the elected representatives of the people the opportunity to discuss this essential matter before a final and last minute announcement is made by the government, as the decisions of the federal government in the matter are reached unilaterally without prior consultation with the members of parliament, whereas in the case of the western wheat producers the policy was appropriately discussed and submitted to the House several times.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to Standing Order 43, the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

PROPOSED COMMITTEE STUDY TO FIND MORE HUMANE METHOD OF APPLYING CAPITAL PUNISHMENT—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise to present a motion pursuant to Standing Order 43 relating to a matter of utmost concern to the majority of Canadians. The subject is the capital punishment bill which is to be presented to the House shortly. I therefore hope that all members of the House will give careful consideration to the following motion. I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That it is the will of this House that the subject of capital punishment be referred to the Standing Committee on Justice and Legal Affairs and that the said committee study and hear witnesses, if necessary, to find a more humane method of applying capital punishment other than hanging by the rope and that the committee make a full report to parliament with recommendations, no later than March 15, 1976.

Mr. Speaker: The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STATISTICS CANADA

SUGGESTED USE OF STATISTICAL SKILLS IN FIGHT AGAINST INFLATION—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to deal with a case of urgent and pressing necessity. In view of the fact that the government has had years of failure in its attempts to decrease the unemployment rate whereas Statistics Canada has finally succeeded in cutting the unemployment rate from 7 per cent to 6 per cent in the space of one month, and in view of the fact that their most spectacular success was in decreasing the rate of unemployment in Newfoundland from 17.1 per cent in December, 1975 to 11.6 per cent in January 1976, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the government employ the obviously effective skills of Statistics Canada in their fight against inflation.

Mr. Speaker: The motion requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SUGGESTED ACCESS TO CANADA'S NATURAL RESOURCES AS PRICE OF LINK WITH EUROPEAN ECONOMIC COMMUNITY—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State for External Affairs. I wonder if he would remove a little of the secrecy involved in Canadian diplomacy in connection with the demand by Denmark and other European countries to the effect that, with regard to the European common market link or any floor price for oil, Canada should give to European countries the same access to our energy resources as Canadians. I should like to ask the Secretary of State for External Affairs precisely what assurance Canada has given.

● (1410)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The question raised by the Leader of the Opposition came up during the discussion at the International Energy Agency particularly on the issue of the adopting of the long term program. Canada, because of the implications to which the hon. gentleman has referred, sought and received an exemption from paragraph five of the long term program which may have had implications affecting access on equal terms as Canadians. In the meantime, while this was going on in the International Agency, a reserve was entered by Denmark at the Council of Ministers which was considering a mandate for the beginning of negotiations with Canada. As I understand the position, that reserve has now been withdrawn by the Danish government and the way is now clear for Canada to begin negotiations with the Council on the contractual link. Specifically, the matter raised by the Leader of the Opposition has been resolved to the satisfaction of the Canadian government.

Mr. Stanfield: What I want to know is what assurance the government of Canada has given to the members of the European Economic Council and to other countries involved in the International Energy Agency so that this matter might be resolved in terms satisfactory to the Canadian government but completely unknown to the Canadian people.

Mr. MacEachen: Assurances have not been given by the Canadian government beyond the adoption of the long-term program, apart from chapter five, from which Canada has been clearly exempted by the governing body of the International Energy Agency. We have not given any assurance beyond our general commitment within the long-term program. In other words, we have not traded an exemption from chapter five.

Mr. Stanfield: Is the hon. gentleman saying that Canada has given no assurance to other members of the International Energy Agency and no assurance to members of the European Economic Community with regard to access to Canadian energy resources?

[Mr. Speaker.]

Mr. MacEachen: In the terms described by the Leader of the Opposition in his initial question, the answer is no. Certainly that was the issue which was before the government and before the governing board—whether Canada would undertake explicitly the obligations imposed by chapter five. We declined to do that, and were exempted. That is the situation in the International Energy Agency which is an institution aside and apart from the Community. When we begin negotiations for the contractual link with the Community the question of access will probably come up again, and at that time Canada will have to take its position in the particular context of those discussions. But that bridge has not been reached yet.

EUROPEAN ECONOMIC COMMUNITY—CONSIDERATION OF MANUFACTURED GOODS IN DISCUSSIONS ON CONTRACTUAL LINK

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I direct my question to the Secretary of State for External Affairs. From conversations that I had in Brussels last year, the prime interest of common market officials seemed to be a long-term, secure source of supply at fixed prices for raw resources and semi-finished resources, such as iron ore pellets, copper, uranium, pulpwood and petroleum. At present we have a $9 billion trade deficit in manufactured goods. To what extent will manufactured goods figure in the discussions?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the negotiations which will begin with the Community will seek to establish a contractual agreement with, on the one hand, the Community and, on the other hand, Canada. There are three general areas of discussion that have been identified. One, of course, is the question of industrial and economic co-operation. At the present time these negotiations have not commenced, and it is not possible at this point to say what particular items will become part of a future agreement. As suggested by the Leader of the Opposition, access to Canadian raw materials is of interest to the Community and that question will be considered. So far as the trade aspect of the discussions is concerned, manufacturing will be very much on the list.

* * *

INDUSTRY

GOVERNMENT POSITION ON DEVELOPMENT OF STRATEGY FOR SECONDARY INDUSTRY

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a final supplementary question for the Minister of Industry, Trade and Commerce. Inasmuch as industrial technology will be made available under the common market connecting link, assuming that it is successful, is the minister planning to develop an industrial strategy for a secondary industrial base in Canada, or is his position that of his predecessor, that Canadian businessmen should go outside Canada to the third world countries, become involved in joint ventures and export back to Canada, which will do little to aid employment in Canada?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I am reasonably certain that the policy attributed to my predecessor is not precisely what the hon. member said it was. If he is asking whether our strategy is to ensure that there is maximum employment in Canada as well as the upgrading of our natural resources to the maximum degree that is practical and reasonable, then certainly the answer is that that is the policy I will be pursuing, not only in connection with the European Economic Community but also with other parts of the world.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—RESULTS FROM DIFFERENT METHOD OF CALCULATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in the absence of two ministers who might answer this question more appropriately, may I direct to the Minister of Finance a question concerning the labour force information that was released today. First of all, I would ask the Minister of Finance whether it is the case that, if the same methodology were used to ascertain the unemployment levels for January of this year as was used for the preceding December and January of 1975, instead of showing a percentage drop in unemployment for last month the figures would have shown a percentage increase, both in comparison with the month before and, even more significantly, on a seasonally adjusted basis, over January, 1975?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the answer to that question is no. While there would not in fact have been the actual drop that appeared, there would probably have been no change upward in the former detailed figures. Of course, it remains speculative because the questions asked in the former survey were not asked. New questions were asked in this particular survey, so that is something that cannot be determined. From month to month I would have to say that there has been no change in the general level of unemployment in Canada.

UNEMPLOYMENT—INCLUSION OF FARMERS' WIVES IN STATISTICS

Mr. Edward Broadbent (Oshawa-Whitby): Well, Mr. Speaker, our calculations for both periods are different from those of the government. My supplementary question is related again to the reclassification. Is it the government's view that the percentage drop in the number of unemployed women is substantially due to the redefinition of "farmers' wives", who have been included for the first time in the survey? If that is the case, I should also like to ask the government, if now that it has been decided to include farmers' wives as part of the labour market, whether the government plans to take related steps in regard to equality so as to ensure that farmers' wives are actually entitled to part of farmers' incomes?

● (1420)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think it is fair to observe at this point that this is a technical revision of the unemployment figures started three years ago and carried out by the relevant agencies of the government, among other things so as to base these figures on 1971 census data instead of 1961 census data. With regard to the inclusion, there has been a change in the nature of the questions asked so as to better determine who is actively seeking employment. As to the hon. member saying his figures are different from those of the government, I assume he has made a survey of 55,000 households as has Statistics Canada.

UNEMPLOYMENT—EXCLUSION OF SEASONALLY EMPLOYED WORKERS FROM STATISTICS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the minister is normally very courteous and accurate in his observations, but he failed to answer the question in respect of whether women were going to be entitled to part of the farm income. Maybe he will pick that up in response to my third question. My third question concerns the decision to exclude or change the categorization of seasonally employed workers so that they do not show up in the same way in the unemployment figures.

Some hon. Members: Question.

Mr. Broadbent: The question I put to the minister is, since the vast majority of seasonally employed in Canada would in fact prefer to be employed all year round, but because there are not jobs available all year round they cannot be, will the minister explain the justification for this change in methodology? Is it not entirely inappropriate to categorize people who would prefer to be employed all year round in such a way that they do not even show up now in the unemployment statistics?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, to deal with the ultimate question of the hon. gentleman in the previous series of questions, the answer would be, of course, this government has been taking the lead within Canada in making certain that the principles of International Women's Year will be carried forward hereafter.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): With regard to the question about seasonal workers, of course, the critical factor is whether someone is actually in the work force or is actually seeking work. The questions that have been proposed by the Chief Statistician are for the purpose of elucidating a sample on that basis. I might just say again that there have been a number of technical changes which commended themselves to the Chief Statistician and others. Perhaps the hon. gentleman and his colleagues would like to examine the Chief Statistician and others responsible when the estimates come before the House.

Oral Questions

[*Translation*]

UNEMPLOYMENT INSURANCE

POSSIBLE DELETION OF SECTION 158 TO MAKE TEACHERS ELIGIBLE FOR BENEFITS IN SUMMERTIME

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I want to put a question to the Acting Prime Minister, of which I gave him advance notice.

On October 15, Mr. Justice Haddy made a judgment about the Unemployment Insurance Act, by declaring inconsistent and non applicable section 158, which theretofore prevented a teacher from receiving unemployment insurance benefits under certain conditions during summer. The Unemployment Insurance Commission had then appealed that decision, but withdrew its appeal last week.

Can the minister tell the House if it is true that an administrative decision must be made today to delete section 158 from the Unemployment Insurance Act in order to settle this problem which a great number of teachers have faced for several months?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the umpire appointed under the Unemployment Insurance Act ruled that Section 158 of the Unemployment Insurance Regulations was invalid. However, the Unemployment Insurance Commission is reviewing the umpire's decision and the possibility of an appeal to the Federal Court of Canada against this decision is still in abeyance.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I want to ask a supplementary question.

Since this section of the act seems to have been removed and reinstated many times, can the minister indicate whether the deletion of section 158 in the regulations will be definitive this time?

[*English*]

Mr. Sharp: Mr. Speaker, it seems to me the important question is what happens to the various rights of those who might be affected. I should add to what I said previously that should the commission appeal and the decision of the Federal Court of Canada should result in a favourable decision for the teachers, all teachers who have appealed the commission's disentitlement under section 158 and are not otherwise disentitled will be paid benefits.

* * *

TRADE

POSSIBILITY OF CHANGE IN INTERNATIONAL TRADE BALANCE WHEN STATISTICS ISSUED BY STATISTICS CANADA

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce who is responsible for Statistics Canada. As the government's new method of reporting on unemployment shows a spectacular improvement in the situation—

Some hon. Members: Hear, hear!

[Mr. Macdonald (Rosedale).]

Mr. Hees: Just wait—when more than 100,000 additional people become unemployed during a month, will the minister tell the House if we can expect that when Statistics Canada makes its next report on our international trade balance we will see an equally spectacular improvement in that trade balance as our exports continue to decline rapidly and our imports continue to increase rapidly?

Some hon. Members: Hear, hear!

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Well, Mr. Speaker, I can assure the hon. member I am bending every effort to have the next report of Statistics Canada show a spectacular increase in exports but it will not be because of the statistical position but because I am following the very good example of the hon. member when he was Minister of Industry, Trade and Commerce which is getting up off my butt and selling something.

Mr. Hees: Mr. Speaker, my supplementary is very simple. I would ask the minister whether it is true that during the last month he has ordered that Alice in Wonderland to be required reading by all employees of Statistics Canada so that they can produce the extraordinary result we have seen today.

* * *

STATISTICS CANADA

SUGGESTED REFERENCE TO COMMITTEE OF NEW METHOD OF COMPILING UNEMPLOYMENT STATISTICS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary is to the Minister of Industry, Trade and Commerce. In view of the skepticism over the new methodology employed by Statistics Canada in arriving at unemployment figures in the country, especially when we consider for example that one wave of the Statistics Canada wand can reduce unemployment in Newfoundland from 17 per cent to 11 per cent, which the minister and I know is not the case, may I ask the minister if he would, in order to reassure members of the House, refer at the earliest possible moment to an appropriate committee of the House the whole new system employed by Statistics Canada in arriving at the unemployment figures in the country in order to assure members there is in fact no hanky-panky taking place between the government and Statistics Canada?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I know the hon. member was using a little rhetoric at the end when he referred to "hanky-panky", but he knows perfectly well that Statistics Canada has developed this system independently over the past few years.

On his other point about the Newfoundland figures, he and I may know differently but the Newfoundland government is now saying very clearly that these statistics prove what it has been saying all along. In any event, so far as the member's question about explanations is concerned, not only am I prepared to make a reference but I am sure that if members, either individually or as a group, wish to have a thorough briefing on the technique and incidentally

to see last year's experiment, in other words to see the new technique as well as the old so that they can compare the two sets of figures because they were carried out over all of the past 12 months, then that can be arranged at very short notice by Statistics Canada through reference to my office.

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THE CANADIAN ECONOMY

UNEMPLOYMENT—MEASURES TO DEAL WITH WIDENING DISPARITY BETWEEN ATLANTIC REGION AND OTHER PROVINCES

Mr. David MacDonald (Egmont): Mr. Speaker, normally my question would be for either the Prime Minister or perhaps the Minister of Finance. It relates to the same labour force statistics released today. I am sure the minister is well aware that in 1975 these figures showed that while the number of people employed increased by roughly 3½ per cent in both Atlantic Canada and Ontario the number of unemployed dropped 6 per cent in Ontario and rose by 9 per cent in the Atlantic region. Since this would indicate a further widening of the disparity between the Atlantic provinces and Ontario, and since there has been no announcement in recent months by the Prime Minister or the Minister of Finance of effective programs to deal with this regional disparity, I should like to ask the minister if he has taken into account the new figures and whether he would indicate what steps are to be taken by the government.

● (1430)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would have to say that we do acknowledge there has been a shift in regional employment. I suppose a recent decision with a negative import perhaps is that we have decided not to take the suggestion of the treasury of Ontario that DREE might be cancelled.

Mr. MacDonald (Egmont): I am a little surprised that the minister should deal in this frivolous way with this very serious matter inasmuch as his government has in effect, frozen or continued to reduce the profile and effectiveness of DREE.

Perhaps I could ask either the Parliamentary Secretary to the Minister of Regional Economic Expansion or the Minister of Finance, specifically with respect to the Atlantic economy where employment in the manufacturing sector has increased by 7 per cent but in the primary sector decreased by 18 per cent, in view of this further weakening of the primary sector in the Atlantic provinces and with respect to the recent changes announced by the Minister of Fisheries—

Mr. Speaker: Order, please.

Oral Questions

INDIAN AFFAIRS

GOVERNMENT ACTION IN CONNECTION WITH BOOK ENTITLED "BENDED ELBOW"—REQUEST FOR REPORT

Mr. Wally Firth (Northwest Territories): Mr. Speaker, since the Minister of Indian Affairs and Northern Development is not in the House, may I direct a question to his parliamentary secretary? Last spring I asked the Minister of Indian Affairs and Northern Development about a piece of hate literature called "Bended Elbow". I wanted to know if his department had considered laying charges under the existing hate literature legislation. He said his department was "looking into the matter to see what action should be taken". Last week the same book turned up in the mail box of one of my colleagues. What action, if any, is being taken in this regard?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I regret that I do not have that latest item here for the hon. member for the Northwest Territories, but the minister will be in the House on Thursday when, I am sure, he will be pleased to respond.

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HEALTH

REQUEST THAT EXPORT OF BLOOD BE CONTROLLED—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to follow up a question put by me last week to the Minister of National Health and Welfare. In view of the fact that Connlab sold blood abroad through export order at a time when Canada had a shortage of blood, can the minister assure the House and the Canadian people that before any future export orders are issued they will come before the Department of National Health and Welfare for discussion so that the Canadian people can be assured that when they donate blood it will be used by the proper agencies?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am pleased to advise the hon. member that at the end of last year regulations were enacted under the Export and Import Permits Act to control the export of blood. This particular act comes under the jurisdiction of the Department of Industry, Trade and Commerce. These regulations are currently in effect and are designed to ensure a supply of blood in this country.

With regard to the safety of blood to be exported, this would be a matter coming under the Food and Drugs Act. We are presently examining whether there is any possibility of enacting regulations under that act to ensure that blood which is exported from this country meets the same standard of safety that is applied in Canada. But this is another related matter.

Mr. Rynard: I think the minister is referring to the plasmapheresis centres that are across Canada. Can he assure the House that where these centres are established across Canada proper tests will be made to ensure that this

blood is free from viral infections, hepatitis and other viral diseases?

Mr. Lalonde: The regulations I am referring to would not deal with blood for sale inside Canada. There is doubt whether we had any power to exercise such safety control over products for export, and we are therefore looking into this matter very carefully.

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ADMINISTRATION OF JUSTICE

REQUEST FOR DETAILS CONCERNING INTRODUCTION OF PEACE AND SECURITY LEGISLATION

Mr. Eldon M. Woolliams (Calgary North): I should like to put a question to the Solicitor General. In light of the fact that I have been advised that the peace and security legislation will be brought in and that there is a definite date set, can the Solicitor General, in the absence of the Attorney General of Canada, give us that definite date? Will he also advise the House whether he or the Minister of Justice will be presenting the bill?

Hon. Warren Allmand (Solicitor General): As the Minister of Justice said recently, there will be two bills introduced with the announcement of the peace and security legislation, one bill will deal with capital punishment and the other will deal with all the other measures. I will introduce the bill on capital punishment and the Minister of Justice will introduce the other bill.

Mr. Woolliams: Mr. Speaker, one supplementary question should clear the air. Can the Solicitor General assure us that the changes in the Parole Act or in the regulations on day passes will be in the peace and security bill rather than in the bill to abolish capital punishment which, as the Solicitor General has said on several occasions in the House, qualifying it with some adjectives, will be brought in separately and apart from any other measure in the Criminal Code?

Mr. Allmand: There may be some misunderstanding. The bill on capital punishment will also deal with the alternatives put forward to the present regime for murder. Whenever we have had a bill on capital punishment, that has happened. In other words, the bill on capital punishment will deal with proposals we suggest for those who are convicted of murder, including the rules on parole and imprisonment which will apply to them. But all other changes in the Parole Act that apply generally will be in the second bill introduced by my colleague.

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CITIZENSHIP

REQUEST THAT VACANCIES IN TORONTO CITIZENSHIPS COURTS BE FILLED—GOVERNMENT POSITION

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Secretary of State whether he would strengthen soon the manpower at the Toronto citizenship court by filling long overdue vacancies and appointing more staff to clear the backlog of more than 3,000 citizenship certificates and applications, as Canadian citizenship delayed is a denial of citizenship rights and privileges to eligible and qualified residents of Canada.

Hon. James Hugh Faulkner (Secretary of State): Yes, Mr. Speaker, I agree with the hon. member. It is a serious problem in Toronto. It is a reflection of the success of our citizenship promotion program. It will need a complement of more people.

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[*Translation*]

SOCIAL SECURITY

POSSIBLE ADOPTION OF MEASURE TO PROVIDE GUARANTEED ANNUAL INCOME

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to direct my question to the Minister of National Health and Welfare.

Since Quebec's Social Affairs Minister has recently declared that, in his view, the guaranteed annual income program cannot be implemented until 1978 and even later because economic and financial conditions will not allow it, can the minister tell the House whether or not he agrees with this statement and if not, will he put forward a bill aiming at an earlier implementation of this program so as to correct the injustices which have been caused by the social measures now existing?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as I have said on many occasions, our prime objective is to complete the review of social security and to come to an agreement with the provinces as early as possible. I hope it will be reached by next summer. Any legislation which might result from such an agreement will have to be presented at a later stage, probably during the next session. Now, I do not think it is realistic to expect such a program to be in effect this year or the next. As for the following years we shall have to wait and see what has developed.

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

Inasmuch as the minister I quoted did specify that even if the federal government and the provinces come to an agreement, this program could not be implemented, as I said earlier, before 1978—he specified this—and even several years later, does he think this should be the case or that efforts are being made to come to an agreement only on a contingency or that we really want to implement the program?

Mr. Lalonde: Mr. Speaker, there is no doubt that all governments want to implement such a program as soon as possible. As I indicated in a previous answer in this House, the federal government proposes that this program be administered by the provinces. So it is the provinces that will have to decide when the program is to be implemented in each province. As far as the federal government is concerned, we made an extremely generous offer concerning cost sharing, and I think financial motives should not

be a real reason for postponing indefinitely the implementation of such a program.

● (1440)

[*English*]

POSSIBILITY OF CHANGE IN COST-SHARING FORMULA FOR PENSIONS FOR BLIND AND DISABLED

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. In view of the fact that a guaranteed income is not foreseen in the near future, and in view of the fact that those who are disabled through no fault of their own—the blind and the disadvantaged—are suffering as a result of inflation, has any representation been made by the provinces about increasing the cost-sharing formula, particularly for the province of Newfoundland, to allow these people to be able to cope with the high cost of living which exists?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker.

* * *

[*English*]

COMMUNICATIONS

REQUEST FOR IMPROVEMENT IN TELEPHONE SYSTEM—GOVERNMENT POSITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Communications, born of some frustration, not with the minister but with the telephone system. I understand from usual channels that the Liberal caucus decided on the weekend that improved communications would assist the faltering image of the government. Would the minister agree that unless the communications system is improved nothing can be done to help the image of the government, and will something be done to improve what must be one of the worst telephone systems in western civilization?

Some hon. Members: Hear, hear!

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I think what is going on in British Columbia this week might do much to improve the image of the government.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mrs. Sauvé: But I am sure the hon. member will appreciate that that has nothing to do with the telephone system. To answer his question, rate increases like the ones which have recently been allowed are related to development and expansion of telephone services. In many cases that would mean an improvement of the service. However, under the new legislation providing for the regulating of the telephone system under an enlarged CRTC there will be more opportunity to take into account social factors and also to have an input as to the possible concern the hon. member has about coverage and quality of service.

Mr. Fairweather: Is it not somewhat anomalous that while we congratulate ourselves for having one of the most wonderful telecommunication satellites in space, here on earth one cannot get the government switchboard, in or out?

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VETERANS AFFAIRS

DELAY IN PROCESSING PENSION APPLICATIONS—GOVERNMENT ACTION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Veterans Affairs. I should like to ask the minister what is happening within the Canadian Pension Commission. Veterans who submitted their applications as long ago as three years have not had their applications processed. What steps does the minister intend to take to speed up these applications?

Will he reorganize the commission and if necessary add more members, or, as has been so brutally suggested because of the annoyance, perhaps withhold pay cheques to see if they extend their hands and determine if rigor mortis has set in?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, if the hon. member knows of any cases which have lasted over three years—because I do not think we have any—he should bring them to my attention. To answer in respect of the processing, previously there were 10,000 applications, now it is in the vicinity of 4,000 and the commission is working quite well. I would be very glad to take notice of any particular cases the hon. member has in mind. Sometimes there are applicants for pensions who do not qualify, and to determine what their qualifications are is quite a process, and takes much time. It would take a very detailed answer to give the many reasons for this, but I would be very interested in obtaining information about the cases to which the hon. member makes reference.

Mr. Korchinski: Mr. Speaker—

Mr. Speaker: The hon. member for Winnipeg North.

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ANTI-INFLATION BOARD

REASON FOR REDUCING AMOUNT OF WAGE INCREASE FOR UNIVERSITY OF TORONTO LIBRARY WORKERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Finance. In view of statements made by the minister during a debate in the House and in the committee during the discussions on the anti-inflation bill that people earning less than $3.50 per hour would be permitted to get increases of more than the 10 per cent maximum permitted by the guidelines, would the minister explain why the University of Toronto library workers, for many of whom the 20 per cent increase would still leave them earning less than the $3.50 an hour, had their agreements scaled down by the Anti-Inflation Board?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have referred a question of that nature to the

board. I would be glad to report to the hon. member when I have a response.

Mr. Orlikow: When the minister discusses this question with members of the Anti-Inflation Board, would he ask them if they can explain why they turned down this increase to people who are on a relatively low pay scale while teachers in some Ontario communities have had increases of more than 20 per cent approved? Also would he ask members of the Anti-Inflation Board if they could do more than just issue a directive, that is give some explanation of their reasons for making the rulings they make?

Mr. Macdonald (Rosedale): I will very carefully discuss with the board the questions of the hon. gentleman.

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HEALTH

POSSIBILITY OF REASSESSMENT OF STANDARDS FOR MERCURY IN SWORDFISH—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of National Health and Welfare. On Friday, December 19 at page 10193 of *Hansard* the Minister of State (Fisheries) informed the House that he had asked the Health Ministry to reassess and re-evaluate health standards relating to mercury in swordfish.

In view of the importance of re-establishing, if possible, this industry, worth some $4 million to Nova Scotia alone, while at the same time giving new job opportunities to fishermen who have been refused the renewal of their lobster fishing licences, will the minister give the House a progress report from his department, and has he made any representations to Washington in the hope of re-opening this important market?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there have been no representations made to Washington, but this is a matter of great significance and obviously of great economic importance to fishermen. However, it is also of significant importance with respect to health. This is a very complex and difficult matter which is actively being studied by my department and fisheries officials, and I hope there will be a resolution of this question reasonably soon.

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TRADE

REQUEST FOR NEW MARKETS FOR SWORDFISH—GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Since swordfish are consumed in some states of the United States and in Japan, South Africa, Italy and Latin American countries without apparent damage to health, has the minister made any attempt to open up new markets for swordfish in the countries I have mentioned, and if not, will he endeavour to do so?

[Mr. Macdonald (Rosedale).]

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I have to admit that the issue certainly has not come to my attention, and I have not done anything along the lines suggested by the hon. member. However, I will be glad to look into this matter to see what we may be able to do.

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HEALTH

REQUEST FOR RECONSIDERATION OF REDUCTION IN BUDGET FOR MEDICAL RESEARCH

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the remarks made by the Prime Minister yesterday at the University of British Columbia, where he was accompanied by most of the missing members of the cabinet and where he dedicated the TRIUMF project, the $36 million joint universities meson facility which contains the largest and most complex cyclotron ever built, wherein the Prime Minister indicated that the cabinet had decided to extend money because they were, and I quote, "mindful of the potential in meson research of international significance," will the minister seek reconsideration of the announced freeze of medical research budgets for next year so that much needed medical research at the University of British Columbia and other medical schools, which also have international significance, will not need to be curtailed, to the lasting detriment of existing research establishments?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the budget restrictions have already been announced by the President of the Treasury Board. It is obvious that if the President of the Treasury Board ever get hold of additional monies, I am sure he would consider with much sympathy any endeavour to increase the grants offered for research. But I have not yet been advised that such additional resources were available.

* * *

[*English*]

TARIFFS

REASON FOR CHANGE IN ITEM RELATING TO RELIGIOUS BOOKS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Minister of National Revenue. I wonder if the minister could give the House an explanation of why tariff item 17200-1 was changed so that now the King James Version of the Bible as well as the Concordance to the Septuagint and books of that nature, which are clearly religious books, are now dutiable?

Mr. Speaker: Order, please. I wonder if that information ought not to be sought in some other way.

● (1450)

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

POSSIBLE INQUIRY INTO ALLEGED BRIBERY BY LOCKHEED

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I have a question for the Solicitor General which relates to the questions put by the hon. member for Victoria yesterday.

Can the minister tell the House whether, in the light of revelations about the activities of the Lockheed Aircraft Corporation of Canada, particularly the kickbacks paid on an international scale to get lucrative contracts, the RCMP has conducted, is conducting or considers conducting an inquiry to ascertain if that corporation did pay kickbacks to obtain from the Department of National Defence a contract estimated at $1 billion for the replacement of the long range patrol aircraft.

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am informed that the RCMP is not investigating this matter. To the best of their knowledge no Canadians have received kickbacks in this matter.

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FINANCE

GOVERNMENT POSITION ON CONTROL OF INTERNATIONAL FLOW OF CAPITAL AND DEVALUATION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. As the value of Canadian money on foreign exchanges has remained high because of the continued inflow of foreign capital, which may lead to trouble down the road as it were, has the government considered avenues of relief such as lower domestic interest rates, direct controls on international capital flows or devaluation?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, to deal with the hon. member's specific suggestions, we have indicated that we would continue to maintain restrictions on the increase in the money supply and therefore the kinds of actions proposed by the hon. gentleman, which would involve a very substantial increase in the money supply, do not commend themselves to us. I specifically indicate that we have given no consideration at all to the imposition of foreign exchange controls.

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COMBINES

SUGGESTED INCLUSION IN BRYCE COMMISSION'S TERMS OF REFERENCE—RELATIONSHIPS BETWEEN BIG CORPORATIONS AND GOVERNMENT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker,—

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): Stick with Sinc.

Mr. Stevens: Mr. Speaker, my question is for the Acting Prime Minister. Will the Acting Prime Minister consider broadening the terms of reference of the Royal Commission on Corporate Concentration, to allow that commission to review the relations between big corporations and the government, particularly such relationships as may exist between the present administration and such corporate giants as Power Corporation and its subsidiaries.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is refreshing to have the hon. member back in the House, and to understand the basis on which he is conducting his election campaign. The answer is, no.

Mr. Stevens: Mr. Speaker, may I direct my supplementary question to the Acting Prime Minister. In view of his reluctance to refer this matter to the Bryce commission, would he consider referring it to the Standing Committee on Finance, Trade and Economic Affairs, of this House, in order that the committee can consider the relationship of such big corporations with the present administration?

Mr. Sharp: Mr. Speaker, knowing the hon. gentleman, I am quite sure it would not require any reference to any committee to permit his raising the question.

* * *

NATIONAL DEFENCE

REASON FOR INCREASE IN ESTIMATED COST OF LANGUAGE TRAINING SCHOOL AT ST. JEAN, QUEBEC

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. In the past week the minister stated that the $88 million construction program for the Canadian Forces Base at St. Jean had been approved in 1973. The 1975-76 estimates, published some ten or 11 months ago, called for a total cost of $47,220,000. Can the minister explain this apparent increase of 86 per cent in projected cost in some ten months?

Mr. Speaker: Order, please. Surely it would be appropriate to ask this kind of question when the minister's estimates are before the standing committee.

* * *

HEALTH

FOOD COLOUR ADDITIVES—DIFFERENCE IN TREATMENT OF RED DYES TWO AND FORTY IN CANADA AND UNITED STATES

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of National Health and Welfare. Considering the controversy regarding the possible carcinogenic properties of Red 2 and Red 40, used by the industry to colour food, and as the minister on the basis of information he received has seen fit to ban Red 40 but not Red 2, whereas the United States has done exactly the opposite, will the minister consider consulting with his counterpart in the United States in order to interchange information and research data on these two chemicals so that a uniform decision may be made which would help

greatly to allay the fears of the general public of both countries?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we in Canada have when necessary adopted a more restrictive approach to food colour additives than most other countries and the United States. In Canada we recognize only nine of these, whereas I believe other countries recognize as many as 20. May I advise the hon. member that I am advised that the court of appeal yesterday reversed the decision of the court of first instance to do away with red dye No. 2. Red dye No. 2 is at least temporarily again valid in the United States. We asked the FDA of the United States for all its scientific information on the matter. This has been transmitted to my department, and the health protection branch is studying at present the scientific studies which were carried on in the United States. Consultations on this subject this weekend were held with European countries; but we are still of the opinion that, at this stage, it would be premature to ban red dye No. 2.

Mr. Baldwin: I suppose you are an expert on red dye.

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PENITENTIARIES

CRITERIA USED TO DETERMINE PRIORITY FOR INMATES IN NEED OF PSYCHIATRIC TREATMENT

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Solicitor General. Recently one Chris Squires, a twice convicted rapist, took two females hostage at Kingston penitentiary. It is reported that Squires had requested a pass to attend his father's funeral, but was refused; that he had also requested psychiatric treatment, which he was unable to obtain because of his low priority rating. Will the minister tell the House what methods or criteria are used by the Canadian penitentiary system to determine who shall receive priority for psychiatric treatment?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, my information on this inmate is this: He was convicted only recently and had been at the regional reception centre in Ontario, being tested for programs like psychiatric treatment, and so on. On the other hand, we know that he underwent psychiatric treatment in the past. He spent some time at the Penetanguishene institution, in Ontario, and at Kingston psychiatric hospital during his teenage years.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. Are there criteria relating to priorities for psychiatric treatment, or is the House to assume that treatment is given on the basis of the arbitrary decisions of the officials in an institution? Are there any criteria; if there are, will the minister table the criteria in the House?

Mr. Allmand: Yes, Mr. Speaker, there are. Actually, two years ago we set up a committee of psychiatric consultants right across the country and asked them to help develop such criteria. They suggested a system of five regional psychiatric centres. We have now built three of those five centres and will build the other two shortly, one in Saskatoon and one in Halifax. I know there are criteria but cannot give them to the hon. member right now. We will send them to him as soon as possible.

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VETERANS AFFAIRS

POSSIBILITY OF AMENDING PROVISIONS OF WAR VETERANS ALLOWANCE ACT—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs? I am not asking the minister today about the proposed legislation respecting veterans who were prisoners of war, because I await with hope the statement he has promised to make on Thursday.

In view of representations made to the government directly by the Royal Canadian Legion, and also made editorially in a recent issue of Legion magazine, calling for the simplification and broadening of the provisions of the War Veterans Allowance Act, may I ask the minister if this act is under review in his department, in the hope that there may be amending legislation some time in 1976?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I also received correspondence from the president of the Canadian Legion. I answered him and told him that, at this time, the possibility of having that legislation for 1976 is not very good.

Mr. Knowles (Winnipeg North Centre): Ten o'clock, Mr. Speaker.

● (1500)

Mr. McKinnon: Mr. Speaker, I rise on a point order. It concerns yesterday's *Hansard* and the Minister of National Defence. At page 10742, the Minister of National Defence declared:

> Under the rules of the House, Mr. Speaker, I will table this correspondence, Mr. Speaker.

The minister was referring to a letter from the chairman of Lockheed Aircraft Company which he produced, rather naively I thought, as proof positive that Lockheed would never attempt to bribe a Canadian. The document appears not to have been tabled and I would like an explanation from the minister.

Mr. Richardson: Mr. Speaker, the letter in question was put on the table yesterday.

Mr. Korchinski: Mr. Speaker, I rise with some reluctance to raise a question of privilege which I believe affects my right as a member of this House to ask a supplementary question. Your Honour chose not to allow a supplementary question. For some reason, there seems to be a blind spot in this area. For several days—

Mr. Speaker: Order, please. An hon. member close to that area recently raised the same question by way of a point of order. I think all members understand that there is a discretion in the Chair as to whether to allow supplementary questions. The exercise of that discretion may dis-

please hon. members from time to time; it is bound to. The fact is there is common ground among us all. The refusal from time to time to recognize a given member on a supplementary does not constitute either a question of privilege or a point of order. It is a matter that hon. members have to accept from time to time. In this case, the hon. member put a question to the Minister of Veterans Affairs about the backlog of the board with regard to veterans' pensions. Some, he said, had built up over three years' duration. That precise question was put to the minister only a few days ago, and answered.

If the Chair had wanted to take a very hard line against the hon. member, it could have refused to permit him to put the question at all. However, the minister was permitted to give an answer, which was the same answer that he gave a few days ago, namely that they are trying to clear up the backlog. If there are any specific cases, the hon. member should bring them to the minister's attention. That goes beyond the ground granted to the hon. member. He can bring specific cases to the minister.

We face a continuing problem. Every member wants to ask supplementaries. I do not, and will not, recognize every member on a supplementary. There is one thing about which we can be absolutely clear. If every time that a member is not recognized on a supplementary he proposes to take it as a personal gesture of prejudice or discrimination against his particular line of questioning, we will have to face this matter every day at three o'clock. There are times every day in the question period when I have to exercise discretion either to allow or not allow supplementary questions.

Mr. Korchinski: With all due respect—

Mr. Speaker: Order, please.

Mr. Korchinski: I do have a case of three years' duration.

Some hon. Members: Order.

Mr. Korchinski: I do have a letter from the minister indicating that he will take this up on a priority basis. This dates back two years. I still have not got any answer. Since we are continually told by the commission that we should not—

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Korchinski: It would lose its priority.

Mr. Speaker: Order. Yesterday I indicated that at three o'clock today I would invite discussion on the question I deferred on two occasions, namely, a tax matter that was sub judice. I wonder if before launching into that discussion today we might complete routine proceedings.

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

ELECTIONS

TABLING OF REPORT ON WAYS OF REDUCING ELECTION PERIODS

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I would like to table copies of a report by the Chief Electoral Officer of Canada, dated December, 1975, entitled "An examination of possible ways of reducing the election period".

* * *

ADMINISTRATION OF JUSTICE

TABLING OF VANTOUR REPORT ON DISSOCIATION

Hon. Warren Allmand (Solicitor General): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table, in both official languages, the report of the Study Group on Dissociation or, as it is known, the Vantour report.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,171, 3,651, 3,708, 3,723, 3,773, 3,775, 3,823, 3,824, 3,826, 3,827, 3,867, 3,899 and 3,963.

[*Text*]

PLACE DU PORTAGE, HULL—CONSTRUCTION PHASES I TO IV

Question No. 3,171—**Mr. Paproski:**

1. Are general contractors constructing the buildings in Hull, Quebec known as Place du Portage Phases I to V and the underground parking garage and, if so, who are they?

2. (a) Which of the buildings are being constructed under contract with the government (b) what is the contract price (c) what are the estimated costs?

3. Are there any extras in addition to the contract or estimated price and, if so, what are they?

4. Does the government plan a contribution to any scheme for the eventual use of any building not being constructed by the government and, if so, what is it?

5. What was the cost of land acquisition by the government or any agency of the government for the Place du Portage sites?

6. Is any person or corporation participating with the government either as partners in construction or under any agreement as to the leasing of space in the completed building by the government and, if so, what are the terms of the agreement.

Hon. C. M. Drury (Minister of Public Works): 1. (a) (i) Phase I, Yes. (ii) Phase II, Stage "A", Yes; Phase II, Stage "B", Yes; Phase II, Stage "C", Yes. (iii) Parking Garage Former City Hall Site: Excavation, Yes; Footings, Yes; Structure, Yes. (iv) Maisonneuve Parking Garage, Yes. (v) Phase III, No. (vi) Phase IV, No. (vii) Phase V, not available. 1. (b) (i) Phase I, Thomas Fuller Construction Co.

(1958) Ltd. (ii) Phase II, Stage "A", Pitts Quebec Ltd. Phase II, Stage "B", V.K. Mason Construction Ltd. Phase II, Stage "C", Thomas Fuller Construction Co. (1958) Ltd. (iii) Parking Garage Former City Hall Site: Excavation, V.K. Mason Construction Ltd.; Footings, J.R.B. Construction; Structure, Thomas Fuller Construction Co. (1958) Ltd. (iv) Maisonneuve Parking Garage, Thomas Fuller Construction Co. (1958) Ltd. (v) Phases III, IV and V, not available.

3. (a) Yes.

Insert Table 3171

2.	(a)	(b)	(c)
(i)	Phase I	$12,595,000.00	N/A
(ii)	Phase II, Stage "A"	568,802.00	N/A
	Phase II, Stage "B"	1,021,700.00	N/A
	Phase II, Stage "C"	11,720,000.00	N/A
(iii)	Parking Garage—Former City Hall Site		
	Excavation	675,300.00	N/A
	Footings	49,961.00	N/A
	Structure	2,262,000.00	N/A
(iv)	Maisonneuve Parking Garage	2,515,000.00	N/A

3. (a) Yes.

3(b)		Number of Change Orders	Net Increase
(i)	Phase I	225	1,129,599.77
(ii)	Phase II, Stage "A"	5	49,737.60
	Phase II, Stage "B"	16	230,765.93
	Phase II, Stage "C"	139	1,873,369.47
(iii)	Parking Garage—Former City Hall Site		
	Excavation	2	14,635.00
	Footings	1	15,817.82
	Structure	53	249,124.57
(iv)	Maisonneuve Parking Garage	60	645,862.32

4. (i) The Crown intends to lease to Campeau Corporation approximately 68,000 square feet of land (present Post Office and Hydro sites) for a term of 35 years at an annual rental of $1. If the Crown does not exercise its option to purchase the building at the end of 35 years, the Crown will charge Campeau Corporation the market land rent in effect at that time. (ii) The Crown intends to lease to Cadillac-Fairview the land on which the Federal portion of lease-purchase complex to be known as Place de Centre will be built. The lease is for 73 years and for the first 30 years of the agreement, the rent will be one dollar per annum. If the Crown does not exercise its option to purchase the building at the end of the thirtieth year, the land rent will be at the market rent for the last 43 years of the lease.

5. Agreement on land acquisition costs have not been finalized between the N.C.C. and D.P.W. therefore this question should be directed to the National Capital Commission.

6. (i) The Crown has approved entry into a lease-purchase agreement for Terrasse de la Chaudière with Campeau Corporation, who own most of the site, based on a 35 year lease with an option to purchase. The terms of the agreement have not yet been finalized. (ii) The Crown has approved entry into a lease-purchase agreement with Cadillac-Fairview for a Federal building in Place de Centre. The term of the lease is 30 years at a rental rate of 3,006,384 dollars per annum for 410,148 square feet of rentable space. At the end of the thirtieth year, the Crown has an option to purchase the building for 6,000,000 dollars.

[Mr. Drury.]

PURCHASE OF SUGAR FROM CARIBBEAN COUNTRIES

Question No. 3,651—**Mr. Herbert:**

1. Has an offer to sell sugar to Canada been received from a Caribbean country and, if so (a) which country (b) on what terms?

2. Has consideration been given to use foreign aid in assisting in the stabilization of the export markets of developing countries?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the departments of Industry, Trade and Commerce and External Affairs as follows: 1. The purchase of sugar is in the hands of the private sector which makes its own arrangements for sugar supplies, including quantities from Caribbean countries. During the first nine months of 1975, imports of sugar from Caribbean countries were: Trinidad-Tobago: 2,556 metric tons; Cuba: 105,840 metric tons; Total: 108,396.

2. Two techniques are used internationally to cope with the problem of stabilizing commodity export earnings. The first is to stabilize commodity prices by negotiating commodity agreements and the second is to stabilize export earnings by providing compensatory financing when export earnings fall, through arrangements such as the IMF compensatory financing facility. While both these approaches may result in the transfer of resources from developed to developing countries, neither approach makes direct use of aid funds. The direct use of aid funds to maintain LDC export earnings would, in effect, be similar to providing direct subsidies to the countries concerned which is contrary to Canadian aid policy.

CBC REPORTING OF NEWS

Question No. 3,708—**Mr. Cossitt:**

1. Do persons involved as bureau chiefs, news editors or producers of news and public affairs programmes for CBC Radio or Television operate under any instructions to keep such programmes free of their own personal political bias and (a) if so (i) are they instructed to edit and report but not to manage the news (ii) what are such instructions (b) if not, for what reason?

2. Is the government prepared to insist that CBC follow a policy of reporting news from Parliament and elsewhere without (a) political bias (b) news management, etc. so that the Canadian people can have access to opinions on all sides of every public issue?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. CBC information programming staff are under explicit instructions to keep programs for which they have responsibility totally free of their own personal political bias. They are instructed to edit and report fairly and, to quote program policy directives, to strive for a maximum subjective detachment from the events and opinions of the people which constitute the news. He can report, he can background, he can explain and he can analyse, but he must not express his personal opinion.

2. The government believes that the CBC's own standards and directives are adequate to ensure that objective reporting is maintained.

CBC—INQUIRIES BY MEMBERS OF PARLIAMENT

Question No. 3,723—**Mr. Cossitt:**

1. Does CBC maintain a Parliamentary Liason Officer in Ottawa for purposes of dealing with inquiries from Members of Parliament and, if so, does this individual assist in the preparation of answers to questions on the Order Paper concerning CBC?

2. For what reason have answers been declined in regard to CBC in many cases on the grounds that it is not the customary policy to reveal such information?

3. Is the government prepared to (a) establish a policy of allowing full answers to questions pertaining to CBC (b) make public the names and salaries of all persons involved with any CBC news programme or public affairs programme if such information is requested by a Member of Parliament?

4. Has secrecy been applied to many aspects of CBC operations when questions have been placed on the Order Paper and such information has been refused and, if so, for what reason?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The CBC maintains a Parliamentary liaison service which coordinates the preparation of answers to questions on the Order Paper concerning CBC.

2. See reply to parts (a) and (b) of Question No. 2,530, May 22, 1975.

3 and 4. See reply to part (c) of Question No. 2,530, May 22, 1975.

CBC—USE OF NEWS ITEMS FILED BY PARLIAMENTARY BUREAU

Question No. 3,773—**Mr. Cossitt:**

1. What are the (a) names (b) job designations (c) annual salaries of all persons employed by CBC in Toronto who have jurisdiction of any kind in regard to what news items filed by the Parliamentary Bureau of CBC in Ottawa are used or not used in CBC radio and television newscasts?

2. In each case (a) on what date were they hired by CBC (b) what previous positions, if any, did they hold with CBC (c) what previous experience, if any, did they have with any other news media?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. (a), (b), (c), and 2. It has not been customary to require the CBC to provide the names of individual staff members, their employment histories or salaries. (The background of this custom is explained in detail in the reply to Question No. 2,530, May 22, 1975). For information about the line of responsibility within the CBC News department, see the answer to Question No. 548, October 23, 1974.

CONSOLIDATION OF SPACE USED BY CANADA COUNCIL

Question No. 3,775—**Mr. Cossitt:**

Will the Canada Council within the next year expand the space it occupies in the La Promenade Building on Sparks Street, Ottawa and, if so (a) for what reason (b) how many additional square feet will it occupy (c) in what way is this consistent with the government's declared policy of restraint and non-expansion of the Public Service?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canada Council as follows: The Canada Council presently occupies space in three separate buildings located at 222 Queen St., 85 Albert St. and 151 Sparks St. (La promenade). Time and money would be saved by consolidating operations in a single building. This option is now being considered by the Council but no decision has been reached.

CBC—COVERAGE OF BRITISH COLUMBIA GENERAL ELECTION

Question No. 3,823—**Mr. Cossitt:**

1. On the Saturday following the British Columbia general election did CBC national television news carry a sequence on the loser, Mr. Barrett and, if so, what amount of air time was devoted to the item?

2. Was a sequence carried on the same programme of the winner, Mr. Bennett and, if not, for what reason?

3. Does this lack of balanced coverage indicate a policy of certain CBC personnel applying their personal political views to the news rather than balanced reporting of the news?

4. What are the names and job designations of all persons involved in compiling the items that appeared on this particular edition of the national television news?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. On Saturday, December 13, The National carried a one minute, 42 second report on the defeat of the NDP government in British Columbia, not specifically on Mr. Barrett.

2. Not on December 13. Coverage of Mr. Bennett on The National immediately before and after the election was as follows: December 10, a one minute, 37 second report on the strong possibility that he would become the next Premier of British Columbia; December 11, reports on the election, updated in each time zone, all including sequences with both leaders; December 12, a two minute, two second report on the results of the election, including footage of Social Credit victory celebrations and a statement by Mr. Bennett.

3. CBC does not agree that there was a lack of balanced coverage.

4. It has not been customary to require the CBC to provide such information about its staff. The background of this custom is explained in detail in the reply to Question No. 2,530, May 22, 1975.

CBC—NATIONAL TELEVISION NEWS, DECEMBER 15, 1975

Question No. 3,824—**Mr. Cossitt:**

1. On CBC national television news on December 15, 1975, did CBC give coverage to comments of the federal NDP leader on the matter of certain remarks made by the United States Ambassador to Canada, William Porter, on United States-Canadian relations and, if so, what amount of time was allotted?

2. Did the same programme give any coverage to comments on the same subject made by the federal leader of the Progressive Conservative Party and, if not, for what reason?

3. Are CBC officials aware that CTV national news appearing at the same hour provided coverage of the comments of both party leaders?

4. What are all the reasons for this unbalanced CBC news coverage and what are the names and job designations of all those involved in

deciding the material to be used on this particular edition of CBC national TV news?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. On December 15, following remarks made by Mr. Broadbent in the House earlier in the day, The National carried 43 seconds of Mr. Broadbent's comments regarding the new U.S. ambassador, Mr. Enders. He was not interviewed with regard to the remarks made by Mr. Porter.

2. No. Mr. Stanfield had made no comments in the House regarding Mr. Enders and was not interviewed on the subject.

3. Yes.

4. CBC does not agree that there was unbalanced coverage. With regard to the names of staff members involved, it has not been customary to require the CBC to provide such information. The background of this custom is explained in detail in the reply to Question No. 2,530, May 22, 1975.

CBC—CAPITAL REPORT

Question No. 3,826—**Mr. Cossitt:**

1. On the Sunday following the British Columbia general election did CBC programme "Capitol Report" include any unbiased details of Mr. Bennett's victory and, if not, for what reason?

2. Did the programme include an attack on the Social Credit Party by columnist Trevor Lautens and, if so, for what reason?

3. What are the reasons for this lack of balance in political news and comment by CBC?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Yes.

2. Trevor Lautens did a tongue-in-cheek review of the campaign, dealing with both the government and the opposition.

3. CBC does not agree that there was a lack of balance.

CBC—"THE WORLD AT SIX"

Question No. 3,827—**Mr. Cossitt:**

1. On CBC radio programme "The World at Six" on the day following the British Columbia general election was Mr. William Bennett or any members of his party interviewed during comments on the election results and, if not, for what reason?

2. Did the coverage on the British Columbia election on this programme consist of two CBC newsmen making allegations that ex-Liberals elected as Social Credit members might seize control of that party?

3. What were the reasons for this lack of balance in political reporting?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. No. Mr. Bennett was in the B.C. interior that day. For that reason he was interviewed by telephone and the results fed to Toronto. The technical quality of the interview was too poor for any of it to be used.

2. No. The discussion between the two reporters was based on matters raised by the result of the election, including the fact that many members of the new government formerly belonged to other parties.

3. The CBC does not agree that there was a lack of balance.

OFFICE OF TOURISM—PROMOTIONAL ACTIVITIES EXPENDITURES

Question No. 3,867—**Mr. Nystrom:**

1. What is the total amount budgeted by the Office of Tourism to be spent on (a) promotional activities (b) travel brochures (c) other items promoting tourism in Canada by its offices in the United States for 1976?

2. How much will the Office of Tourism be spending for transportation and accommodation of the contingent being represented in (a) the Rose Bowl Parade in Pasadena, California, January 1, 1976 (b) "Canada Day" at Disneyland (c) promotional events that all or part of the contingent will be participants in (i) Los Angeles (ii) San Francisco, in the first week of January, 1976?

3. What is a list of the events that the Office of Tourism will be involved with in (a) Los Angeles (b) San Francisco, during the first week of January, 1976?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The total amount budgeted by the Office of Tourism to be spent by its offices in the United States for 1976 on: (a) promotional activities, Special Promotions, $396,000 (travel trade exhibitions, consumer travel exhibitions, ski seminars); Travel Industry Promotions, $100,000 (travel trade seminars). (b) travel brochures, produced and provided by CGOT H.Q. for distribution through its offices in the U.S., $250,000. (c) nil.

2. CGOT has made no contribution to transportation and accommodation directly. However, following interdepartmental development of a program for Canadian participation in the commemoration of the U.S. Bicentennial, and further discussions with provincial and municipal tourism authorities the CGOT made a commitment of $25,000 towards the total budget for the project. Because of unexpected increased costs, most of which were brought about as a result of unanticipated opportunities for significant television and media exposure in addition to those events in which Canada was already participating, the CGOT is considering an increase in support by $5,000-$10,000. This financial support is based on the CGOT's assessment of the share of gain it anticipated in tourism publicity from the series of promotional events.

3. The CGOT was not involved directly in any events in the two cities during the first week of January, 1976 beyond consultation during the development of the program of events and its contributions towards the projects as noted above in 2.

POST OFFICE DEPARTMENT—DISTRIBUTION OF CALENDARS

Question No. 3,899—**Mr. Beatty:**

1. How many 1976 calendars were printed for free distribution by the Post Office Department?

2. What is the total cost to the taxpayer for such calendars?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. 750,000.

2. $146,480.

SPECIAL ASSISTANT TO MINISTER OF TRANSPORT

Question No. 3,963—**Mr. Murta:**

1. Is Adrian Lang, listed as Special Assistant to the Minister of Transport, related to the Minister and, if so, what is the relationship?

2. Was she appointed by Order in Council and, if so (a) on what date (b) what is her salary range and what are the details of any other remunerative consideration she is receiving (d) what are her duties?

3. How long has she been in the office of the Minister of Transport and/or the Minister responsible for the Wheat Board?

4. Has she made any trips on government business and/or government public relations and, if so (a) to what locations (b) on what dates (c) for what purpose (d) at what expense?

5. Does she have an expense account and, if so, what are all the expenses she has incurred, the purpose for each such expense and the dates incurred?

Hon. Otto E. Lang (Minister of Transport): 1. Yes; spouse.

2. No; not applicable.

3. Since September 26, 1975.

4. (a), (b) and (c) Adrian Lang has accompanied the Minister of Transport on official trips in her capacity as Special Assistant to the Minister of Transport when deemed necessary. (d) Adrian Lang has not caused any expense to the Government of Canada in her capacity as Special Assistant to the Minister of Transport.

5. No.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 3,796 could be made an order for return, this return would be tabled immediately.

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

[*Text*]

INCREASE IN NUMBER OF SENIOR OFFICERS IN VARIOUS GOVERNMENT DEPARTMENTS

Question No. 3,796—**Mr. Orlikow:**

By department, what was the increase in the number of senior officers (a) SX1 (b) SX2 (c) SX3 (d) SX4 for each year 1969 to 1974, or in the case of new departments, commissions, agencies, etc. from their inception to 1974?

Return tabled.

[*English*]

Mr. Symes: Mr. Speaker, I gave you notice today that I intended to move a motion under Standing Order 26 as it related to the national dispute of paperworkers. Due to certain developments, I request Your Honour's permission not to put that motion today but at a later time, possibly tomorrow.

PRIVILEGE

MR. MACKAY—QUESTIONS BY MEMBERS ON MATTERS SUB JUDICE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I will be very brief on this question of privilege. It is my feeling that there may be other members more senior than I who can contribute more to this debate and who will want to participate when I have finished speaking. I submit there is a plain distinction between my questions regarding tax aspects and possible police investigations with regard to Sky Shops and the specific area of the civil libel suit against myself and others brought by Thomcor Holdings Limited. If I were to be technical, there is no evidence before parliament to indicate conclusively that Thomcor Holdings are one and the same as Sky Shops.

The matter of the libel suit, of course, is civil, not criminal in nature and the Crown, not being a party, ought to be free to give information. In addition, the pleadings of the civil action in which I am involved are at such a preliminary stage that there is a question as to whether the matter is before the courts in more than a very technical sense, it has not yet been set down for trial and there is no judicial decision pending. In any event, the questions that I have asked are not part of those matters which form part of the libel suit.

A member of parliament, I submit, has a right and a duty to pursue investigations and ask questions on behalf of his constituents and the general public, and any interference or obstructions in this respect must be undertaken very carefully and supported by citations and predecents of the greatest weight and substance. Our House leader, the hon. member for Peace River (Mr. Baldwin), will proceed to deal with the precedents and will develop the case on my behalf in greater detail. Indeed, I am so closely involved, as Your Honour pointed out, in being a participant in or party to the action that if I were to become too closely involved I might lose my sense of objectivity and be in the position that is often applied to those who act on their own behalf, that of having a fool for a client. I would not want that to happen.

I appreciate the opportunity to make these few remarks on my behalf and want to point out once more, Mr. Speaker, that the reason I originally brought this matter to your attention as a question of privilege was not because I was concerned about the litigious aspect of the matter but, rather, to give Your Honour an opportunity to make certain that the way the action was instituted against me and my co-defendants did not affect the traditional rights and privileges of Parliament and the Chair itself.

● (1510)

Mr. Speaker: I certainly want to invite contributions from other hon. members who are interested in developing the point. My interference with the hon. member in the first instance was more from the point of view of giving us an opportunity to review this question, one which is surrounded by considerable confusion. I think I have indicated that a review would show that in the particular instance of a civil law suit, the hon. member and all other hon. members are free from any restrictions. But it might be opportune, before we go further with this subject, to clari-

fy from the chair the whole question of matters sub judice, and for that reason I welcome the contributions of other hon. members.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, let me say at once that I believe Your Honour and members on both sides of the House will accept the fact that my hon. friend from Central Nova (Mr. MacKay) has been completely objective in his whole approach to this matter. This might not be relevant to a decision on the issue, but I submit it is something the House should bear in mind.

After giving this matter a good deal of attention over the weekend since Your Honour intervened, after looking over the precedents and checking the facts, it is my opinion that rather than the House considering the extent to which the hon. member for Central Nova should be inhibited in dealing with this issue, we would be in a far better position and doing much more justice if this House were considering invoking its penal jurisdiction and sanctions against the plaintiff in the action, as I hope to show during the course of my argument.

What are the facts? As the hon. member said, he was pursuing a reasoned and studied inquiry, in a very objective way, of what was an extremely difficult problem and in the course of this investigation he had occasion to ask questions in the House, to bring motions and to participate in debates. During a period when the House was not in session, if my information is correct, the hon. member issued a press release accompanied by a statement and a document dealing with the question of the comparative prices of goods in certain duty-free shops in the airports in Montreal and shops in the city of Montreal.

I want to pause at this point to say that in doing what he did the hon. member was only doing what had been done by the department of the Minister of Consumer and Corporate Affairs (Mr. Ouellet). Unfortunately, I do not have the release here, but a report was issued by the minister in October, 1975, which was in the same general terms. It did not deal precisely with the plaintiff in the action against the hon. member or with any of its subsidiary companies, but it was a statement and a report by the Department of Consumer and Corporate Affairs drawing attention to the fact that there was a grave discrepancy between prices and the publication of those prices in the duty-free shops and in the ordinary stores in the city and suggesting to tourists and others that they should exercise great caution in making purchases. So the hon. member, in issuing a statement related to these prices, was doing only what he had a duty to do, not only as a citizen but as a member of this House.

Some hon. Members: Hear, hear!

Mr. Baldwin: Subsequently, the plaintiff in this action, Thomcor Holdings Limited, issued a statement of claim and a writ against the hon. member for Central Nova and three other people alleged to be—and actually they are—employees of the research bureau of Her Majesty's Loyal Opposition. I do not intend to take the time of the House or of Your Honour by going over all the details of the statement of claim, but it was a statement of claim for libel based on allegations contained in the statement issued by my hon. friend.

[Mr. Speaker.]

In particular, paragraphs 11 and 12 of the statement of claim said the statements issued by the hon. member for Central Nova were published and were understood to mean that the plaintiff sold goods at prices which were not lower than most, if not all, retail outlets; that the plaintiff, in any event, did not sell its goods at prices which represented 25 to 60 per cent savings as advertised; that the plaintiff was misleading the public and that the plaintiff was, or was probably, guilty of a criminal offence under the misleading advertising provisions of the Combines Investigation Act. Then there was a claim for damages and loss of profits in the amount of $250,000.

That is a broad allegation against the hon. member for Central Nova, but it is nevertheless restricted to allegations made in the statement he issued and which was made the subject of the action for libel and damages. I submit, therefore, that we must consider the rights of the hon. member in light of the terms of the action taken against him. While it is true that the hon. member came to this House and, quite manfully, said in a question of privilege which he raised and upon which Your Honour commented yesterday, I believe, that he had done what he had done as a private citizen and was not specifically seeking any special rights and immunities as a member of parliament, I would call to the attention of the Chair and all hon. members that it is not easy for a member of parliament to achieve that objective, no matter how desirous he might be to stand alone as a private citizen. He is a member of parliament and his rights and immunities must be considered in that light. This becomes important as I shall show a little later in the course of my argument.

On the basis of the facts to which reference has been made, the hon. member asked a question in this House on February 4. That question, of course, will be recalled by Your Honour; it appears on the record at page 10622 of *Hansard* for February 4, 1976:

> Mr. Speaker, I have a brief question for the Minister of National Revenue. Has the hon. gentleman checked to determine under what circumstances the retained earnings or other assets of Sky Shops Limited from its Bahamian subsidiary or subsidiaries were brought into Canada and whether all of the requirements of Canadian tax law were satisfied in this respect?

I submit, Mr. Speaker, that it requires the greatest ingenuity to place the context of that question within the framework of the action brought against the hon. member and his co-defendants, and action for libel commenced by Thomcor Holdings Limited. The style of cause for this action did not include Sky Shops Limited about which the question was asked; it was on a different tack entirely. The action for libel had nothing to do with the question asked by my hon. friend.

● (1520)

Up until 1961 it was only in respect of criminal actions that sub judice could be raised. At that time it was also an action for libel and a question was asked relating to that action which the Speaker ruled out of order. The members of the House at Westminster were so concerned about this that a special committee was set up to examine the issue and to bring in a report. That committee examined the matter very extensively, as a result of which the rules and Standing Orders of the British House were amended and

there is now in the British Standing Orders a provision that deals with sub-judice questions.

I admit that this is not necessarily binding upon Your Honour or this House. Standing Order 1 provides that the rules and practices of the British House shall apply so far as is possible in the Canadian House of Commons, but certainly we do not follow changes made in their Standing Orders from time to time subsequent to the date when we first received our Standing Orders. However, I think it would be wrong not to examine with care and to take into account the law that now prevails in the United Kingdom, which is simply this: I shall read from the *Journals* of the House of Commons at Westminster for July 23, 1963, and the Standing Orders which I believe are still in existence:

Resolved, that, subject always to the discretion of the Chair and to the right of the House to legislate on any matter,

(1) matters awaiting or under adjudication in all courts exercising a criminal jurisdiction and in courts martial should not be referred to—

(a) in any motion (including a motion for leave to bring in a bill), or

(b) in debate, or

(c) in any question to a minister including a supplementary question;

(2) matters awaiting or under adjudication in a civil court should not be referred to—

(a) in any motion (including a motion for leave to bring in a bill), or

(b) in debate, or

(c) in any question to a minister including a supplementary question from the time that the case has been set down for trial or otherwise brought before the court—

I think those are the important words, Mr. Speaker, that under the time element in the British House in regard to civil actions, the right of the Chair to prohibit the asking of questions or proceedings in the House regarding a civil matter comes into effect from the time that the case has been set down for trial or otherwise brought before the courts. It is interesting to notice that a little further on it states that where a case has been settled, the right is resumed in the House to ask questions unless and until an appeal is set down, in which case the right is suspended again.

That, Mr. Speaker, is the British practice and I do not think it is so very different from what has been the decision of other Speakers, particularly Your Honour's predecessor, Mr. Speaker Lamoureux. In 1971 there was a case that was debated at length in this House. The hon. member for Winnipeg North Centre (Mr. Knowles) was involved, as was I and other members including the hon. member from Halifax at that time. It dealt with a case that had achieved some prominence because the government had failed to pay moneys it was required to pay under the Temporary Wheat Reserves Act and we had raised the issue in the House. An action had been commenced in Saskatchewan by some Saskatchewan residents seeking relief from the courts to compel the minister of finance and the government to pay out the moneys due under the Temporary Wheat Reserves Act.

An attempt was made to carry forward the discussion of certain legislation. The hon. member for Winnipeg North Centre raised a point of order, arguing that the debate on the legislation should not be continued while this action was still before the courts. I am sure Your Honour has had occasion to read that decision, but I will put on the record for the benefit only of members of the House some of the points Mr. Speaker Lamoureux made as they appear in the *Journals* of this House of Commons under date October 4, 1971. Mr. Speaker Lamoureux referred to the precedent known as citation 149(c) in Beauchesne's fourth edition, which provides:

It has been sanctioned by usage both in England and in Canada that a member while speaking must not refer to any matter upon which a judicial decision is pending.

Mr. Speaker Lamoureux had this to say in the next paragraph:

—"judicial decision pending" means that the case has been heard in full and that the court has before it the matter on which a decision will be rendered in the near future, in which case debates in the House might not be interpreted as influencing or attempting to influence the decision of the court.

He went on to say:

A matter, whilst under adjudication by a court of law, should not be brought before the House by a motion or otherwise. This rule does not apply to bills.

Mr. Speaker Lamoureux went on to say that his opinion of the matter was such that the mere issue of a writ did not bring into effect the sub judice rule so as to inhibit the right of a member of this House to ask a question or to pursue a debate in the House. I would say through you, Mr. Speaker, to the members of the House that that is a very reasonable and proper interpretation of the law both as it is and as it should be. If attempts are made to inhibit a member of this House in asking questions merely by the issuance of a writ, I can see our opening the door to wholesale abuses.

For example, in a case where a member of the House had had occasion to make an inquiry or investigation into the conduct of some individual or company, all that would be necessary would be for that individual or company to issue a writ, whether it be a writ for debt, or anything else against that hon. member. If the law were applied as some might contend, this would shut the door and would constitute a very grave abuse of the rights of members of the House in the exercise of their duty on behalf of their constituents and the people of Canada. I submit that under such conditions the House should give effect to the decision of Mr. Speaker Lamoureux and to the proposals contained in the report of the British House which is now incorporated in their Standing Orders.

But there is more to it than that, Mr. Speaker. I have ample precedents not involving decisions but where questions have been asked and no challenge was made. On July 9, 1973, an issue was raised in this House by myself and the hon. member for Calgary North (Mr. Woolliams) dealing with students' co-operative projects, a report of Central Mortgage and Housing Corporation and certain challenges with respect to the tendering programs and practices of CMHC. The issue was based on some evidence given by a party to an action then being carried on in the city of Toronto, where one of the parties to the action had given evidence that there had been improper practices in tendering by CMHC which, according to the documents we had, I suggested amounted to improper and perhaps even criminal practices. Questions were asked by myself, by the hon. member for Calgary North and others and no one challenged our right to ask those questions or to have answers given.

● (1530)

In the same context, there was a debate on a somewhat different but related issue in this House when Mr. Reg Stackhouse, at that time the hon. member for Scarborough East, participated in an adjournment debate and asked the present Minister of Justice (Mr. Basford), then minister of state for urban affairs, to deal with the question of foreclosure proceedings then pending against Rochdale College. I think it is rather fascinating to read the reply made by the present Minister of Justice because, after all, I assume he was made Minister of Justice because he has some knowledge of the law. The minister was then dealing with the question of foreclosure which was the subject before the courts and he said this as recorded at page 3991 of *Hansard* for May 22, 1973:

> I hope the Chief Justice of Ontario, who is responsible for placing matters on the trial list, will see that the action of Central Mortgage and Housing on foreclosure receives an early trial and is handled expeditiously in the Supreme Court of Ontario. That is not under my control. As the hon. member knows, the setting of the trial date is a court proceeding in itself. However, I hope it would not be improper of me to suggest, in regard to these proceedings, that the Chief Justice take note of their special nature and the need for the protection of the interests of the taxpayer and give this matter an early trial.

In that case there was an action commenced in the Supreme Court of Ontario for foreclosure in respect of which the present Minister of Justice made a comment, in effect inviting the Chief Justice to render an early decision. No objection was taken to that, as I do not think any objection could well have been taken, and this was infinitely more flagrant, of course, than the situation which we are now considering, namely, the question asked by the hon. member for Central Nova. Under those conditions, I submit it would be wrong to inhibit the hon. member in asking this and other questions which are related unless they come squarely within the four corners of the style of cause in the action in which he is a co-defendant and the matter which is involved in that style of cause. Outside of that, I submit with great deference that the hon. member should have full leave to pursue his inquiries.

Before I sit down, Your Honour invited some study and I have one more brief comment to make as I think this is an issue we should face in this House before too long. About 18 years ago in the United Kingdom a Mr. Strauss, a member of the Liberal party, had occasion to write a letter to one of the ministers, I think of the then Conservative government, in which he alleged certain irregular practices on the part of the London Electricity Board, an independent board which sits with all the powers of a corporation sole. The minister passed the letter on to the London Electricity Board which, after considering it, wrote to Mr. Strauss and said that if he persisted in this course of conduct in challenging its practices, it proposed to take libel action against him. Mr. Strauss then brought the matter into the House of Commons and alleged, on a question of privilege, that there was intimidation and an attempt by the London Electricity Board to prohibit him in the proper discharge of his duties as a member of the House of Commons.

The matter was debated in committee, it went to the House and ultimately there was a further committee report in 1967, I think it was. That committee reported to the House that, in its opinion, when people in a position such as Mr. Strauss received letters of the kind he had received from the London Electricity Board, it constituted an interference with the rights and immunities of a member of the House of Commons.

I suggest and argue, from that basis, that if it is wrong to write a letter threatening libel, it is an infinitely far more dangerous practice to try to inhibit a member in the discharge of his duties as a member of this House of Commons by bringing a libel action against him.

I should like to think that before we have lost sight of this matter, irrespective of the decision made, this House will consider setting up a small select committee to deal with this whole problem. With the possible introduction of television facilities, we are getting into an area surrounding what are the rights of members, what are the precincts of parliament, and what are the proceedings of parliament. Your Honour has probably discovered that not only are there debates of parliament, but also proceedings of parliament which are areas in which a member is free to disclose, make statements and write letters. This dates back to the time of William and Mary, some hundreds of years ago. When heading into this area, as we are, with some of the problems we face in respect of some of those matters which have received some notoriety, I think it would be very wise for us to review this whole question. Your Honour might agree with this. I have spoken to my friend opposite, the government House leader, and to the hon. member for Winnipeg North Centre, and I think this is an area to which we should devote some attention, not only for our sake but for the sake of the proceedings of this House and the people involved.

I conclude on that note, because there is a broader issue raised here than the one which involves the hon. member for Central Nova. I conclude, in respect of that branch of the argument as it affects him, by saying that it would be invidious and a great disservice to the political life of this country and to the affairs of this parliament if it were possible to prevent an hon. member from discharging his duty and continuing an inquiry into a matter which needs inquiry merely by issuing a statement of claim against him.

I rest my case on that and suggest to Your Honour that the hon. member for Central Nova, rather than being prohibited from asking his questions, should be entitled to the approbation of members of this House.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I appreciate the suggestion Your Honour made to the effect that we might deal with this matter as briefly as possible. But as Your Honour knows, research into a matter of this kind can be far more intriguing than reading James Bond, and surely we should share with other members what we have discovered.

Mr. Broadbent: There may be some dispute about that.

Mr. Knowles (Winnipeg North Centre): There are quite a few things the hon. member for Peace River (Mr. Baldwin) has said which I had planned to include in my argument, most of which I will not repeat because he has said them very well. However, there are a couple of things

he has said which I want to underline and emphasize a few moments from now. Let me say at the outset that I come down completely on the side of the hon. member for Central Nova (Mr. MacKay). I feel that his freedom of speech as a member of this House takes priority over any other rules or suggestions that may be found in various rules books.

Initially when one looks at this issue, he comes up against two apparent absolutes. Life is full of situations like that and you have to decide which one is more absolute than the other. One of the absolutes is in Beauchesne's fourth edition at page 127, where we read in citation 149(c):

Besides the prohibitions contained in Standing Order 35—

That is what it was when this book was produced.

—it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not:

(c) refer to any matter on which a judicial decision is pending—

As I say, that sounds absolute. I intend to join with the hon. member for Peace River in a few minutes in pointing out that if one goes back to the origins of that statement he will find that it is not as absolute as Dr. Beauchesne suggested when he digested the original citation for the purposes of his book. On the other side of the coin, again if we look in Beauchesne's fourth edition, at page 109 we will find the other absolute which is freedom of speech. Citation 117 (1) states:

● (1540)

The privilege of freedom of speech enjoyed by members of parliament is in truth the privilege of their constituents.

Then citation 117 (2) states:

Freedom of speech is declared by the Bill of Rights in the following terms: "That the freedom of speech and debates or proceedings in parliament ought not to be impeached or questioned in any court or place out of parliament". "This, as the Right Hon. Sir Donald B. Somervel, D.B.E., K.C., M.P., said before the committee in the Sandys case, in 1939, is not necessarily an exhaustive definition of the cognate privileges." But even assuming that it is, the privilege is not confined to words spoken in debate or to spoken words, but extends to all proceedings in parliament. While the term "proceedings in parliament" has never been construed by the courts, it covers both the asking of a question and the giving of written notice of such questions, and includes everything said or done by a member in the exercise of his functions as a member in a committee in either House, as well as everything said or done in either House in the transaction of parliamentary business.

I suggest, Mr. Speaker, that citations of that sort—and there are quite a few of them—underline the proposition that freedom of speech is one of the absolutes that apply to members of the House of Commons. We find this again in May's eighteenth edition, at page 70:

Freedom of speech is a privilege essential to every free council or legislature.

Later we find this:

There could be no assured government by the people, or any part of the people, unless their representatives had unquestioned possession of this privilege. Thus only the House of Commons was concerned in its vindication, and only in its connection with that House could it be a matter of constitutional importance.

The point I am making as a theme to what I am saying is that of the two absolutes, freedom of speech is superior to the dictum that there cannot be reference to a matter that is sub judice. However, in addition to these general pronouncements there are some interesting precedents. This is where James Bond is pushed out of the picture. It is true I have to go back to the year 1512. I would have gone back further, only the difficulty with an instance in 1455 is that even in May's eighteenth edition the references to it are in Chaucerian English.

Mr. Broadbent: And Mitchell would not understand.

Mr. Knowles (Winnipeg North Centre): I would have difficulty reading it, but by 1512 the English was understandable and I shall start there. The case was that of a member of the House of Commons at Westminster by the name of Strode. I gather from the interruptions I am hearing that some members would say he strode across the pages of history, but far be it from me to suggest that. In case members think I have had to dig pretty deeply to find this case, I would point out that even in this most recent edition, May's Eighteenth, it is indexed and there are frequent references to the Strode case as the beginning of the establishment of the precedent that parliament is superior to the courts. The Strode case took place during the fourth year of the reign of Henry VIII. We have all heard of him.

An hon. Member: Simma was not here then.

Mr. Knowles (Winnipeg North Centre): When I said earlier that procedural research is more intriguing than James Bond, my friend from Northumberland-Durham (Mr. Lawrence) said there was no sex in it, but since I have mentioned Henry VIII that should satisfy him. I shall read from page 71 of May's eighteenth edition:

—Strode, a member of the House of Commons, was prosecuted in the Stannary Court for having proposed certain bills to regulate the tinners in Cornwall, and was fined and imprisoned in consequence (h). Upon which an Act was passed (i), which, after stating that Strode had agreed with others of the Commons in putting forth bills, "the which here, in this High Court of Parliament, should and ought to be communed and treated of," declared the proceedings of the Stannary Court to be void, and further enacted that all suits and other proceedings against Richard Strode, and against every other member of the present Parliament, or of any Parliament thereafter, "for any bill, speaking or declaring of any matter concerning the Parliament, to be communed and treated of, be utterly void and of none effect".

If I carry on with what happened in the Strode case, instead of just defending the right of the hon. member for Central Nova to ask questions about Sky Shops here on the floor I might be challenging the right of the courts to deal with his case at all. I will not push it that far, but certainly the Strode case is an interesting one. Lest hon. members think that was a long time ago, in 1512, I would point out that it was referred to in quite a few subsequent cases. A long time later, in July, 1641, there was some discussion of another case and a member of parliament quoted the Strode case. Somebody else said that since that was 100 years earlier it did not count, whereupon the House of Commons on July 8, 1641, declared the proceedings in the Queen's Bench to be against the law. Again, at page 73 of May's eighteenth edition we find this:

The judgment had been given against the privilege of parliament, upon the false assumption that the Act of the 4th Henry VIII had been simply a private statute for the relief of Strode, and had no general operation. To condemn this construction of the plain words of the statute, the Commons resolved, 12 and 13 November, 1667, "That the Act

of Parliament in the 4th Henry VIII, commonly intituled 'an Act concerning Richard Strode', is a general law," extending to all members of both Houses of Parliament.

I hope I have whetted a few appetites for the reading of this material which, as I say, is not at all dry. But the point I am making is that it was established long ago that what is done outside cannot interfere with the freedom of speech of members in the House of Commons. Perhaps members will take my word for it when I point out that immunity does not apply if a member is charged with some crime, but in civil cases the freedom of speech of a member is not interfered with or limited.

Now I will quote a bit of what the hon. member for Peace River said. I come back to the absolute I started out with, namely, Beauchesne's statement that a matter which is sub judice cannot be referred to at all, which sounds as though there is no way to get around it. But I find that Dr. Beauchesne—he was good at this—when he produced his books did some digesting and frequently left out important parts. Mr. Speaker Lamoureux said of a Beauchesne quotation that it was too bad the full quotation was not there. So I refer hon. members to page 328 of May's eighteenth edition:

● (1550)

Matters sub judice.—By a resolution of the House matters awaiting or under adjudication in a criminal court or a court martial, and matters set down for trial or otherwise brought before a civil court may not be referred to in any debate or question.

The point about civil matters is that they have to be set down and brought forward for trial. So far as the present action is concerned, nothing has happened, and if the stricture that Your Honour had in mind the other day—I sense that maybe Your Honour's research has changed your mind a bit—was applied, then just the fact that this notice was given to the hon. member could keep him from exercising his freedom and his right to ask questions about Sky Shops month after month, maybe year after year.

The hon. member for Peace River also referred to the ruling given by Mr. Speaker Lamoureux on October 4, 1971. I am coming ahead several hundred years. I think the interesting thing—and I quote it, again for emphasis—is the statement that Mr. Speaker made about the citation in Beauchesne's; the one which says stay away from things that are sub judice. This is what Mr. Speaker Lamoureux said:

I think this citation should be interpreted as narrowly as possible.

In other words, freedom of speech takes priority. He went on:

I doubt very much if the Chair should be called upon to intervene whenever a member refers to a matter which is before the courts.

He goes on to point out that notice of the matter then being dealt with had been given but no proceedings had been underway. If Your Honour has done some of this same research, you might have fun pointing out that I more or less on the other side of the argument in that debate. When I asked some of my lawyer friends this morning what that would do to my status as my kind of lawyer, they said I would probably get a Q. C. if I could argue one way one year and the other way later on.

Mr. Lawrence: Yes, a federal Q.C.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): The reason I was arguing that way at that time was that because of the action taken in Saskatchewan, ministers were refusing to ask questions about the matter, but then the government brought in a bill, dealing with the same issue. So I suggested that the matter should be settled one way or the other.

So, sir, Mr. Speaker's ruling was clear, namely, that the kind of notice that had been in the Saskatchewan court at that time did not stand in the way of the bill proceeding. I go back to the Strode case and all the others, and I feel that on all counts Your Honour should come down on the side of freedom of speech rather than on the side of imposing a rule which Dr. Beauchesne quoted in his fourth edition but in which he did not quote all that was there in May from which he took it.

I am about to conclude, sir. I make the same argument that the hon. member for Peace River made. If the hon. member for Central Nova can be stopped from asking questions about Sky Shops because notice of a libel action, has been served on him, just think what could happen in this House. For example, I think the CPR is the meanest employer in Canada and I say that the CPR is particularly mean towards its pensioners. Is the CPR going to sue me for libel and shut me up? My friend, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), thinks Imperial Oil is making huge profits by gouging its customers, and he says so. Is Imperial Oil going to sue him and silence his voice? The hon. member for Oshawa-Whitby (Mr. Broadbent) and the hon. member for Nickel Belt (Mr. Rodriguez) also have things to say about Weston, Loblaws, Ziggy's; yes and INCO. Are they all going to be stopped by suits for libel, being filed against them? I am carrying it to the absurd, but sometimes one has to do that to make the point.

So, Mr. Speaker, I am grateful to Your Honour for giving us a few days in which to deal with this matter and for suggesting that we do some research, because it is really very interesting reading, and my conclusion from the reading I have done is to come down completely on the side of the hon. member for Central Nova.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I will be very brief, and most of all I would be clear enough to convey the point of view of the Social Credit Party of Canada on this issue.

First I have to thank you for having provided us with a few days of reflection before voicing our views. I believe it essential to draw your attention on the very principle which is at stake in this discussion. I leave it to my knowledgeable colleagues to bolster their positions with technicalities like precedents or citations by such or such parliamentary jurists who are authorities with respect to the decision to be taken today.

I am very concerned with the orientation you will give to your decision today, if you do so. In my opinion, it is the very principle of the right to ask relevant questions on ticklish subjects which is at stake. The precedent which could be established by any decision directly affecting the case under study could serve—and I would dare say could dangerously serve—the interests of present or future gov-

ernments which would not in any way want to answer such questions and would claim that a matter is sub judice to prevent a member from asking any relevant questions regarding matters which are before the courts.

There is only one word to describe that—the imposition of the gag, a restraint on the right to speak of a member of parliament. The hon. member for Central Nova (Mr. MacKay), considering in fact that he is at the origin of the Sky Shops case and of some other matters which are far from suiting the party in power, becomes I think the scapegoat in all that story. Mr. Speaker, the ruling to be made should encourage the hon. member to keep on bringing to light the venial or maybe mortal, sins on the conscience of this government or future governments when other similar questions will surface.

Mr. Speaker, I urge you to allow any member, in the circumstances the hon. member for Central Nova, to ask direct questions on the Sky Shops case, provided those questions are not intended to exonerate him in this case, should he be at fault. I therefore ask that this assembly be not a place where everyone who attacks the government may be sued, making thus the matter pending and automatically preventing any discussion of the subject by the House. As the previous speaker just said, it would be total distortion of the parliamentarianism principle. It is on this decision, Mr. Speaker, that rests the assurance of keeping our parliamentarianism intact. The hon. member for Central Nova (Mr. MacKay) is highly esteemed by the members of my party. We believe that his research and questions should not, in any way, be limited by a decision taken too quickly which would create a regrettable precedent in respect of our basic right to know all there is to know. We have no need for scapegoats in this House.

Lastly, with all due respect, Mr. Speaker, I believe the statement you made in this House on Tuesday, February 3, concerning procedures to serve a writ on a member of parliament or on a House of Commons employee has somewhat overshadowed the basic problem of your specific role, that of guardian of our freedoms. The matter is not addressed to the Standing Committee on Management and Members' Services, but indeed to your role as guardian of our freedoms. No stranger has the right, by virtue of the privilege which is yours as Speaker of this House, to come between an hon. member or an employee of the House and Your Honour. The matter at hand has nothing to do with the right of visitors to enter Parliament, it deals strictly with the authority, other than yours, to come between yourself and any other person directly related to you. I beg of you to consider those principles, Mr. Speaker. They are dear to us and of the utmost importance to all of us.

In closing, I should like to remind you, Mr. Speaker, that this Parliament is, to us, a sacred forum in which we should be free to deal with any and all possible matters, to enlighten the Canadian people, and particularly our electors, with regard to the actions of the present and future governments.

[*English*]

● (1600)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is with great reluctance that I join in this issue because of the seniority of the hon. gentleman who spoke previously. However, I think there are two points which have to be made and which were not made by the hon. gentleman. I agree fully with and do not dispute the view that there is absolute freedom of speech within this House, and I would not attempt in any way to limit that. I fully agree that the discharge of the obligations of a member of parliament ought not to be hindered in any way by anybody outside this House, and I am very grateful to the hon. member for Winnipeg North Centre (Mr. Knowles) who indicated that there is authority in the Strode case—there was a beginning of authority there—recognizing the superiority of this parliament over the courts.

However, in this instance—and I refer to the specific facts we have before us as recited very accurately by my friend, the hon. member for Peace River (Mr. Baldwin)—the hon. member for Central Nova (Mr. MacKay) indicated in this House that with reference to the action which has been launched against him, he was not seeking the protection of parliamentary privilege. He accepted responsibility for the release which he issued which is the subject matter of the case and which was issued freely. He indicated that he was defending the case on its merits and that he would not bring to the attention of the court or this House any question of personal privilege. That is the first distinction.

I agree that when we are dealing with the sub judice rule we are limiting it in the case of civil action. I agree wholeheartedly that there has been a tendency—and if there has not been as great a tendency as in the British House of Commons, there ought to be—to limit the application of the sub judice rule with reference to civil cases in order to avoid situations where writs are issued in order to prevent further debate on certain issues. I agree, as well, that the time—namely, the setting down for trial—is a very judicious time, if I may use that term, in which to bring into effect the sub judice rule. However, by the same token I agree with the position which was taken by the British House of Commons, that that could be subject to exception in situations where the trial of an action could be prejudiced by matters raised in the House.

None of the precedents which have been brought to the attention of this House deal directly with a case similar to that which we have before us. The hon. member for Central Nova has refused the immunity of parliament and has indicated that he is defending the case on its merits. The hon. member for Central Nova is a party to the action. Usually, the sub judice rule is brought into play when a question is asked of a minister the subject matter of which is under review by a tribunal. At that point the sub judice rule applies and protection can be sought under that rule. However, in this instance the question which gives rise to this matter was posed by the hon. member for Central Nova who is himself a party to the action. Therefore, there is a distinction.

The hon. member for Central Nova and the hon. member for Peace River have indicated that the issue in the libel cause of action is a very narrow one, namely, the pricing policies of Sky Shops, and that the proceedings are at a very early stage. However, there have been a number of declarations outside this House by the hon. member for Central Nova which give me cause for concern. I quote from the Ottawa *Citizen* of Tuesday, February 3, as follows:

Privilege—Mr. MacKay

Conservative MP Elmer MacKay said Monday that a $250,000 law suit launched against him may provide the courtroom forum he has sought for a judicial look at Sky Shops Export Ltd., under investigation by the RCMP.

From the Montreal *Gazette* of Tuesday, February 3, I quote the following:

After the suit was filed, MacKay said in an interview: "Maybe here's the judicial inquiry we requested."

Again, in the Ottawa *Citizen* for Wednesday, February 4:

Mr. MacKay said he regards the law suit as a chance to raise in court questions about Sky Shops Export Ltd., bought out in 1972 by Thomcor—

I am concerned because the question of prejudice of the proceedings before the tribunal applies not only to a member of parliament but also to the other parties involved in the suit. It has been recognized that this House is a tribune, or a podium of considerable power, and while I am very conscious of the point raised by the hon. member for Winnipeg North Centre, that on the one hand a member of parliament cannot be shut up by commencing a law suit against him, neither should this chamber—and here is the dilemna—be used by a party to an action in order to prejudice the case of his opponent.

It is true that in this instance the proceedings are at a very early stage. However, as a barrister of some experience and reputation, Your Honour knows that it is a determination to be made by the defendant as to whether he will retain a civil jury of six individuals, and the jury notice has yet to be served. I am not attacking or attempting to attack the hon. member for Central Nova; I am attempting to develop an argument relating to the dangers which there are in the positions being taken. There is a danger that a member of parliament might use his privileges in this House to prejudice a trial in which he is involved.

I agree with the hon. member for Peace River that the matter in its whole context is one which could well be referred to a committee for study. In conclusion, therefore, I suggest that the original ruling of Your Honour was the proper ruling. In this instance there has been an indication by a party to the action, who is also a member of this House, that he regards the action as a forum in which to deal with the matters he has brought to the attention of this House. He has said that expressly. In addition, he has forgone the immunity which otherwise might be available, and I am not prepared to debate whether that immunity is available in this case, or at least that immunity subject to the nature of the release and the facts which were attempted to be communicated therein.

● (1610)

In conclusion, I suggest that this is a novel case, that in this instance freedom of speech has been voluntarily forgone by the hon. member and therefore is not in question. He also chose voluntarily to extend the whole matter that he has brought to the attention of the House within an action that was brought outside the House. In those two particulars, this case is distinguishable from any matters which have previously been brought to Your Honour's attention or to the attention of your predecessors.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I do not wish to traverse any of the arguments advanced by

[Mr. Blais.]

my colleagues in the House on this important question. I simply point out that the arguments as to whether the hon. member for Central Nova (Mr. MacKay) waived his rights and privileges as an hon. member go only to the question of a bailiff or somebody attending upon him to serve documents. That is all that is to be said on that point. That is the only waiver he made. He did not waive any of his other rights as a member of parliament, and therefore the other argument about the statement made by my colleague for Central Nova is totally irrelevant to this particular question.

In this instance there has been started a civil lawsuit against an hon. member on a narrow issue, in this case libel with regard to a statement made by the hon. member as to pricing policy. That is the only thing in that lawsuit. Having had some experience in this House and some experience in the chair which you occupy, Mr. Speaker, it is my view that the rights of members—the parliamentary secretary insisted on this and admitted it—to ask questions which are relevant, which are urgent, which seek information, should be as wide as possible. The contention of sub judice would place a limitation on that right.

I suggest, as other speakers have, that every exception placing limitations on the right to ask questions must be interpreted narrowly. It is not the right which must be interpreted narrowly; it is the exception or derogation of the right which should be interpreted narrowly. I therefore contend that a party commencing an action against an hon. member on a very narrow, definable issue, should in no way preclude that hon. member or any other hon. member from asking the Solicitor General (Mr. Allmand) or any other member of the treasury benches questions about an investigation predating the commencement of the action and dealing, as we know, with a search in the precincts of parliament and elsewhere by the RCMP. That is an entirely different question.

There are two considerations. Firstly, the identities of the parties, shall we say, on the other side, or outside, have not turned out to be the same, while the hon. member involved has turned out to be the same. Secondly, I repeat, the right of hon. members to ask questions should be as wide as possible and any derogation from that right should be interpreted narrowly.

Mr. Speaker: Order, please. With regard to the last statement made by the hon. member for Edmonton West (Mr. Lambert), the House will recall that I permitted the hon. member for Central Nova (Mr. MacKay) to put a question to the Solicitor General (Mr. Allmand) about the general investigation. It seemed to me that there could not be any possible connection between that answer, as to the timing of that particular investigation, and any lawsuit.

In any event, I am reluctant to put the Chair in the position of attempting to analyse issues at stake in any lawsuit in order to determine which questions ought to be put and which ought not to be put. That would put the Chair in an impossible position. I wish to seek general guidance with regard to the question of sub judice, particularly to do with lawsuits, and to clarify it if possible. I also wish to understand if there is anything of special significance which may restrict the hon. member because he is a party to the litigation. Orders of the day.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Monday, February 9, consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, when participating in debate on this bill on second reading I expressed serious misgivings concerning the principle of this measure, and I am constrained to say that nothing has been said to alter my views on the government's proposal. On the contrary, I am more convinced than ever that, while some unrevealed accommodation has been reached which makes it possible for *Reader's Digest* to continue publishing its Canadian edition, some of the features of the bill remain unacceptable to many members of this House.

Many views have been recorded with respect to the blundering manner in which the government has approached this question. However, I must say the government has been consistent in that it has established a reputation for confrontation that has never been approximated by any previous government of Canada. In this instance, it has acted true to form. Perhaps the best assessment is that made by Mr. Geoffrey Stevens who wrote the following in the *Globe and Mail* of December 6, 1975:

> Anyone who cares about fair play, straightforwardness in government, and freedom of discussion cannot help but be appalled by the shabbiness of the government's methods on Bill C-58.

It is evident that the government has failed to recognize basic flaws in the legislation and the basic injustice of the measure proposed. Rather than review the situation and come to an accommodation, the government has chosen to bulldoze the measure through and disregard the attitude of the general public and of members of this House, including government supporters. I wish to call attention to some of the arguments advanced by the government. One of them is that in some way our media should contribute to the development of a truly Canadian culture. I am appalled when I note the ways in which our media tries to accomplish this. When one compares Canadian periodicals and Canadian programs with periodicals and programs produced elsewhere, one cannot help concluding that the Canadian-made product does not portray that which we wish to recognize or acknowledge as truly Canadian culture.

● (1620)

Not too long ago I spoke with a young couple who had spent a number of years in the United States and had re-established their residence in Canada. They told me they were shocked at some of the programs aired by the CBC. They voiced the opinion that this would never have been tolerated across the border. I mention that to point out that just because something originates elsewhere does not mean that it is not good, and because it is produced in Canada it is good.

I again refer to the statements that have been made and the affirmation that one of the purposes of this measure is to strengthen the Canadian publishing industry. I could quote from the speech I made on this measure on May 26, but I do not propose to do that this afternoon. Nevertheless, I believe there are ways in which we can strengthen the Canadian publishing industry. If we must resort to this type of procedure to build the Canadian industry, I say that we are not complimenting it in any way, shape or form. Some of the fault lies with the Canadian publishers. If their periodicals leaned more in the direction of the desires and reading interests of Canadians, there would not be such a tendency to choose other magazines ahead of those published in Canada.

Let us look at it from the other point of view, that is, the money saved by advertisers not being able to claim advertising expenses for income tax purposes. If that were directed into the Canadian industry, it would be in a much more viable position. May I again point out that there is no indication that any substantial amount of such advertising money will be redirected to Canadian enterprise. Indeed, figures that have been quoted show that it will be a very small amount. When requests have been made for proof that this would substantially increase the financial position of the Canadian industry, that proof has not been forthcoming. It is a matter of "it should accomplish this purpose", or "we anticipate that this is going to happen". I do not believe that the position the government is taking in this particular measure is going to strengthen the Canadian publishing industry or put more money into its coffers.

I wish to make reference to the attitude of the government on this issue, particularly with regard to the operations of the committee. I do not have to go into detail about what happened in committee; that has been placed on record on a number of occasions. Because some members of a committee choose not to go along with the measures before it, it would be reprehensible for them to be removed from the committee and others placed on it. However, that action has been taken with regard to members of this committee. It is a reprehensible position for the government to take. This afternoon we were speaking about the freedom of individuals and freedom of speech. That also applies to this measure. Every member who has been on the committee has the right to express his view, regardless of whether it corresponds with the government's proposal. Members on the government side have been taking a position on this measure that is opposed to the proposal of the government. When I spoke on May 26, I referred to the hon. member for Cochrane (Mr. Stewart). The hon. member for Vancouver-Kingsway (Mrs. Holt)—

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member, but several members have attempted to speak outside the scope of motion No. 4. Motion No. 4 is a definition of a Canadian magazine. Perhaps the hon. member would limit his remarks to that.

Mr. Patterson: I accept Your Honour's ruling, but respectfully suggest that this comes within the bounds of the measure. It has been dealt with by many other mem-

bers. In presenting arguments on this bill, surely it should be our right to discuss the position that has been taken. However, I accept Your Honour's ruling and will endeavour to conform to it.

A great deal of attention has been given to what is known as the Cullen rule which deals with the matter of material being substantially different from that published abroad. I do not suggest I would support the law of the Medes and the Persians that that cannot be changed, but there should be something in this measure setting out what is the rule. It should not be left to the discretion of the minister or others; it should be clearly stated so that people will know where they stand in this regard.

What we have been saying with regard to *Reader's Digest* in connection with rules and regulations carries over into the operations of other news media. They are faced with exceedingly difficult situations in attempting to comply with and come under the rules laid down in this measure by the government. I think of the provisions dealing with television. *Reader's Digest* have been doing their best to conform to the requirements of the bill. Apparently they have come to the point of accommodation. That company has endeavoured to be a good corporate citizen; it has tried to meet all the requirements and fit in with the program that the government has outlined. Because of the representations that have been made, some accommodation has been reached.

There are others who have been making every attempt to conform with every requirement of legislation. They have been trying to govern their affairs and arrange their enterprises in order that they might fit in. In so doing they have made a tremendous contribution to the Canadian economy. They have paid their taxes, provided job opportunities and have made a tremendous contribution to the development of other types of operations. I am thinking of television and particularly of KVOS which covers most of the area in such an admirable way. Here is an organization which is making a worth-while and appreciated contribution to the community and to the national economy. Yet it is being faced with restrictions severely limiting its operation and it will not be in a position to carry out its activities in the same manner as hitherto. They have made suggestions as to how they could co-operate in the further development of the industry, but no co-operation has been received, with the result that KVOS is facing the same problem as the magazines.

● (1630)

Bringing all these factors together, I am prompted to suggest that the government should take another hard look at this question, reconsider its attitude toward the motions before us today and recognize the validity of the representations which have been made in this chamber. I trust the minister and his colleagues will bring themselves to agree that in the interests of organizations which have made their contributions to the economy, as well as in the interests of the community generally, they should be willing to make the necessary adjustments and allow some of these amendments designed to soften the impact and permit the organizations concerned to carry on the valuable work they are doing and the contributions they are making to Canadian life.

[Mr. Patterson.]

Hon. Marcel Lambert (Edmonton West): I am looking through my papers, Mr. Speaker. There has been a change in the documentation I have here, a lot of the preparation for my speech having been made for yesterday afternoon.

Mr. Roberts: Has somebody given you a speech to read?

Mr. Lambert (Edmonton West): That would be the last thing on earth, to suggest that anyone prepares a speech for me to read. If the hon. member spoke yesterday, as I believe he did, he broke his eternal silence.

Mr. Roberts: On Friday.

Mr. Lambert (Edmonton West): If the hon. member spoke on Friday, he broke an eternal silence. There is usually a muted voice coming from that seat. As to the amendment in the name of the hon. member for Vancouver-Kingsway (Mrs. Holt), an amendment to the motion put down by the hon. member for Ontario (Mr. Cafik), I find it makes eminent sense with regard to what it is purporting to amend.

The hon. member for Ontario put down a twin-barrelled modification amending the Income Tax Act in clause 1 by adding two paragraphs. The first raises the question of the extent of ownership of the publication. That matter has never been an important issue. However, it could be argued, for instance, that 75 per cent is no better than 60 per cent, say, or that 75 per cent is somewhat less than 100 per cent. But I suppose this began originally when a former minister of finance, Walter Gordon, brought in changes to the Income Tax Act to make it possible for certain benefits to flow to corporations operating in Canada and owned abroad, provided they would sell or list on the stock exchange 25 per cent of their equity stock.

The complementary figure is, of course, 75 per cent. All this means, in this instance, is that 25 per cent of equity stock in a foreign-controlled publishing company established in Canada and publishing in Canada shall be owned by Canadians. At one stage, the "Canadian" requirement only went as far as residence, but if my memory serves me correctly this has now been changed to Canadian citizenship. That, of course, is the correct position.

As originally put forward by Mr. Gordon back in 1964 or 1965, the position was somewhat ludicrous since the only requirement was one of Canadian residence. One could, of course, be a citizen of Timbuktu and still be a resident of Canada qualified to hold shares under whatever regulation was in existence in those years. However, this does not appear to have been an issue of great moment in the course of the present extensive debate.

I am astounded that a reasonable man like the Minister of National Revenue (Mr. Cullen)—when he was a private member and parliamentary secretary he showed eminently good sense—could have applied the interpretation he did to the words "substantially the same" and determined the figure of 80 per cent; in other words, that there would be 80 per cent difference. First of all, I find it repugnant that the minister, under the Income Tax Act, should be exercising discretion in determining what is meant by "substantially the same". This point has been argued by a number of hon. members in the course of the debate and I do not propose

to go over it again. However, the hon. member for Ontario added these words:

—and not more than 40 per cent of its content, including advertisements, were first published in a single periodical outside of Canada.

Here, with the greatest respect, my interpretation is that the contents could be entirely foreign and not one line Canadian because the limitation, as I read it, is that not more than 40 per cent shall have been published in any single publication outside of Canada. Therefore, *Reader's Digest* or *Time* could pick up 35 per cent from one publication, 35 per cent from another and 30 per cent from another pool. In fact, you can break up these percentages so long as they are under 40 per cent, and be merely a digest or a compendium put together from other sources. So long as no single publication could claim to be the origin of 40 per cent of the editorial content, the magazine would qualify if it otherwise qualified under ownership.

● (1640)

This is not what we are trying to cure. We would, of course, like to see some Canadian content in a publication, but the motion of the hon. member for Ontario does not establish any Canadian content in it at all—not one line. The hon. member for Vancouver-Kingsway establishes the same freedom, shall I say, simply by striking out the provision having to do with 40 per cent content from any publication. The hon. member's amendment is strictly limited to ownership—at least to that extent it is clear—and is certainly preferable to the proposed motion of the hon. member for Ontario which I have criticized.

The Parliament of Canada is a place of debate and of mobilization of public authority. The extensive debate that has taken place in this House has tended to mobilize some public opinion. Since the debate started we have seen a number of newspapers take up the question in their editorial pages. It is not attracting much further debate among news reporters. They have reported the debate, which has continued for a good number of days, in every imaginable form they can find, which I suppose is not the way to write stories which sell newspapers, and as a result this debate does not rank as a front page attraction so far as a news feature is concerned.

As a result of the debate in this House, the attitude of the Minister of National Revenue has been modified. Following the debate on second reading and the discussions in committee, the public was astounded by the statement of the minister that "not substantially the same" was going to be interpreted as meaning 80 per cent. Further, he assumed the fiat that should anyone discover a means whereby these requirements could be circumvented in any way, then either the law would be changed so as to clamp down, or the interpretation of the law as it might exist following passage of this bill would be changed so as to catch everyone. There is about as much principle in that as there is in the most tortuous of crooked arguments.

Then we had the other day, I think to the astonishment of the press and the whole of the Canadian public, the statement by the Minister of National Revenue that the government has come to an accommodation with *Reader's Digest*. I don't know how much thinning oil was put into the works by either side in regard to interpretation.

I should like to lend whatever influence I have—I was almost trapped into saying whatever weight I could lend—to the argument of my colleagues that this bill be returned to the committee. I should like to know through my colleagues on the committee what changes have been made in the thinking of Mr. Zimmerman and his board and that of his principals in Reader's Digest Incorporated to enable them now to live within the spirit and letter of the law as amended by this bill.

I have before me, Mr. Speaker, a file which, for the purposes of the record, is about an inch and a half thick, containing representations from *Reader's Digest* and from an aroused citizenry, most of them readers of *Reader's Digest*, lamenting, fulminating and generally deploring the lack of principle and the insidious action of the government in trying to take away the position that—

The Acting Speaker (Mr. Turner (London East)): Order. I regret to interrrupt the hon. member, but his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): I promise to finish within two minutes, Mr. Speaker. As I was saying, protestations have been made. The governement decided, for its own reasons which I will not go into at this time, that the status of *Time* and *Reader's Digest* should be changed, ten years after a governement of the same stripe had given that particular status to those two magazines. The members of this House would like to know from the Minister of National Revenue just what the government has done to change its mind, and what inspired it to insert some oil into the works that has induced rapprochement, shall I say, between *Reader's Digest* and the government in this particular matter. Also, we would like to know whether anything is developing in regard to Time Incorporated. May I thank the House for its indulgence, Mr. Speaker, and say I certainly support the amendment of the hon. member for Vancouver-Kingsway.

Some hon. Members: Question.

Mr. Jake Epp (Provencher): Mr. Speaker, I notice that a number of government members called for the question when you recognized me. I think about the only questions that still confront us are, why are they so silent and why are they backtracking so rapidly as they go back to their constituents to discuss Bill C-58?

An hon. Member: They are all asleep.

Mr. Epp: If they are all asleep, then that is an attitude they are familiar with and perhaps it is where we should leave them. The amendment of the hon. member for Vancouver-Kingsway (Mrs. Holt) has my wholehearted endorsation and support. The government and its supporters would be very wise to consider what that amendment does in essence. It really bails the government out a very sticky situation in which it finds itself.

● (1650)

Many government members felt that once they were able to give a last-minute reprieve to *Reader's Digest*, all members of this House and Canadians in general would be pleased with the result and Bill C-58 would receive speedy passage through the House. The government is now surprised to find that some people who believe in principles do not like back-room deals. The government is finding out that in spite of the fact *Reader's Digest* feels it can continue to function, we are not accepting a contents regulation.

During my two previous interventions in this debate I said I did not in any way like the content rule or percentages in that context, but at least I can support this amendment for the simple reason that we would have the regulations written into the law. I commend the hon. member for Vancouver Kingsway for having the courage, as a member of the government, to say that there should be absolutely no content control by virtue of Bill C-58 or by virtue of any regulation passed by the minister or officials of the Department of National Revenue. Her amendment has my support.

It is interesting to note the government hoped that by getting this legislation passed very quickly after the recess, it would not attract too much editorial comment. It is interesting to note that in general the newspapers of Canada are not supportive of the *Reader's Digest* deal. This whole question goes far beyond the existence of one magazine. While that may be the focal point at this juncture, the critical question for us, as members of parliament, and for Canadians in general is whether any government or any minister of the Crown should have the power, through legislation or regulation, to control the press. I am sure that government members will immediately argue that this does not involve control of the press. However, as soon as a content rule is brought in, a certain amount of press control becomes the fact of life.

I also find it exceedingly strange that the NDP, which likes to clothe itself in the righteous cloaks of civil libertarians, has remained silent about this amendment. If a so-called left wing magazine were threatened by government legislation or a back-room deal, I wonder if we would see every NDP member moving amendments and subamendments one after another. They are strangely silent on this amendment.

Mr. Peters: We never consider *Time* a socialist magazine.

Mr. Epp: That is not what I was saying, and if the hon. member had been listening he would know the difference.

An hon. Member: We are listening.

Mr. Peters: I don't find it either right-wing or left-wing.

Mr. Epp: I wonder if the hon. member wants to make a speech from a seat other than his own.

An hon. Member: We want to listen. We are trying to get some wisdom from what you are saying.

Mr. Epp: The NDP, supposedly the proponents of Canadian nationalism—by their own definition I might add, which has been rejected time after time by the Canadian electorate—is now strangely quiet. We have legislation which goes to the very root of civil liberties, yet members of that party have nothing to say. By saying nothing, I suppose one could assume they are in favour of the legislation. I suppose the only civil liberties they believe in are those they advocate for their own support. That is not a principle but a cheap political move. They obviously think this is not fighting ground for them and they should abandon the field to come back and fight another day when they have something to fight about.

No contents legislation or regulation should be supported by this House or by Canadians generally. I might suggest that if the whips were not doing their job it would not be supported by a number of government members. This amendment lends itself to the support of every member of this House. The amendment retains the ownership provision, that is, the 75 per cent rule. I am sure every member of the House can agree with that. It also retains the provision that editing will be done in Canada, that the publication functions will be retained in Canada and performed by Canadians. That is where it stops. If the House were debating a bill in that form, I am sure it would have been passed through the House long ago.

What the government has tried to do is close the door still further. This would have eliminated *Time* magazine and would have been in support of the Canadian Periodicals' Association. Time and time again supporters of that association stressed the fact that 80 per cent "not substantially the same" was the absolute minimum with which it could live. In fact, that association wanted 100 per cent. These supposedly great writers of Canada were saying they could not compete with the rest of the world. They asked for complete control of the industry through a 100 per cent rule in order that they might compete. They were very gracious in their concessions and dropped from 100 per cent to 80 per cent.

The regulations as interpreted for the purpose of *Reader's Digest* and the so-called deal have not changed. The application of the word "digest" to the rule is now being viewed differently, and that is the whole essence of this debate. Even before Bill C-58 passes through the House, the minister has changed his interpretation and the Secretary of State (Mr. Faulkner) has had to agree. I imagine the Secretary of State takes the low road home every day now. He has had to concede to this change in interpretation. I do not know what other changes will take place after the ten ministers return from the province of British Columbia. I understand they are being absolutely decimated by the arguments of the lumber association and other people in British Columbia to the effect that Bill C-58 not only is regressive and wrong but it will not achieve the purpose it is supposed to achieve, and will be counterproductive. It will result in a backlash from their best neighbour, the United States.

● (1700)

Having passed the ownership clause, why must the government insist on going further in respect of content? Not one good reason has been given for this. What the government hopes to accomplish is that editorials will be such that they will be able to survive. The other day the hon. member for Sault Ste. Marie (Mr. Symes), when I quoted from the Toronto *Sun* called it a progressive paper. I commend him for his insight.

Mr. Symes: I was being facetious.

Mr. Epp: Having been back home to the west where clarity of thought prevails, I thought I would find out what the people were saying back home. The Winnipeg *Tribune*, I understand, is a paper that is at times supportive of the present administration. I wish to quote from an editorial in the Winnipeg *Tribune* of February 9, headed "Arrogant action". I do not think the hon. member for Sault Ste. Marie would have too many complaints about the editorial policy of that paper.

The editorial reads in part:

> Now, with the bill stalled in the Commons and with several MPs ready to propose amendments which would tone down the severity of its terms, the government has taken it on itself to interpret the law before it is even passed.
>
> Mr. Cullen said the agreement with *Reader's Digest* would permit the publication, based in Montreal, to use the same articles as the parent magazine in the U.S. As long as they are edited and condensed in this country, they will qualify as Canadian content.
>
> That's rather like saying if one imports milk from Wisconsin and processes it in Thunder Bay, one can then call it Canadian condensed milk.
>
> No wonder Mr. Stanfield and other MPs, some of them Liberals, are shocked. As Mr. Stanfield pointed out, interpreting the law is for the courts, not the cabinet.
>
> If governments can decided what the law means, they are endangering the painfully-won and dearly-bought concept that making the laws must be a separate function from interpreting them.
>
> The government has, in effect, taken control of a segment of the press. Further extension of this control may lie in abeyance, but it is a precedent which this or future governments could use for their own purposes and to their own ends.

That is the critical issue, no matter whether the minister wants to think of it in another way. That is the central point of Bill C-58, whether or not his brainwashed officials want to think of it in another way. I found it interesting that the hon. member for Vancouver-Kingsway compared this bill, at the time she moved her amendment, to the 1930s and early 1940s in nazi Germany when there was also content control. One might say that this will not reach that point, but why does the government want in any way to have content control? That question has not been answered by the Secretary of State or by the Minister of National Revenue to the satisfaction of anyone. Government members are silent on this point. If they were given the opportunity to speak, I know many of them who are in sympathy with the amendment of the hon. member for Vancouver-Kingsway would do so.

In recent months we have also witnessed other totalitarian governments exercise control over the press in their own societies. One need look only to the USSR and the role played by persons such as Sakharov and Solzhenitsyn. As I say, the New Democratic Party members are strangely silent about that. Such governments are quite willing to use thought control, press control and content control. Some members of this House and some Canadians might think we will never come to that. I say this legislation opens that door. In no way should the government become part and parcel of any regulation or legislation which allows any government or any minister to decide whether or not a publication meets the criteria of the government relative to content.

Let the government bring forward legislation relating to ownership and those involved in the editorial and publications business. Let them bring forward that kind of legislation, but not content control which is abhorrent to Canadians. This government, supposedly a Liberal government, surely cannot at this point in time justify a position whereby it will control content or give officials of the government an opportunity to interpret regulations relating to control.

One could mention many other instances in the last few months where governments have tightened up in respect of the press. The process we are witnessing in this House these days is not very dissimilar to what we have seen in other parts of the country. The importance of this bill to the government can be interpreted in only one way. The government is dedicating a disproportionate amount of the House time to this legislation.

Some hon. Members: Question.

Mr. Epp: Mr. Speaker, there are certain strange rumblings from the NDP again. No member of the NDP seems to want to stand and make a speech in respect of content and control of the press, but if there were a left-wing press involved I am sure they would be on their feet.

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner (London East)): The hon. member may continue with unanimous consent.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Turner (London East)): The hon. member for Provencher (Mr. Epp) may continue for a reasonable period of time.

Some hon. Members: Question.

Mr. Epp: I thank you, Mr. Speaker, and members of the House. There is one last comment I wish to make. I believe the subamendment brought forward by the hon. member for Vancouver-Kingsway should find support in all quarters of the House. It retains the right of advertisers in editorial publications, papers and magazines to have a privilege for tax purposes. I say to the government, again, that surely they can support that type of amendment to this type of legislation, but let them not become a party to a proposition which would also bring in content and thought control, as Bill C-58 does.

● (1710)

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to take this opportunity to make a few remarks to support the amendment put forward by the hon. member for Vancouver-Kingsway (Mrs. Holt), because it seems to me it is not only a sensible amendment, one which is an attempt to improve the legislation, but it comes from a member who has a background in, and presumably a feeling for, journalism in this country. Too often in government lately inexperience and lack of knowledge are held

up as virtues, and lack of expertise has a positive advantage in holding a portfolio or in espousing a particular cause. The hon. member for Vancouver-Kingsway is an experienced journalist and one would expect her colleagues to pay some attention to what she has to say with regard to this legislation.

As we on this side of the House have pointed out, the whole concept of this legislation is fraught with the most ridiculous and contradictory perceptions. Torpedoing magazines or periodicals which are first-rate in content, regardless of the national origin of the content, is not going to help to any extent their Canadian competitors. Whether it is in journalism, athletics or practically any field of human endeavour, one does not improve standards by eliminating competition, particularly in an unfair way. Good journalism is an art form, and Canada is being perceived by other nations of the world as trying to restrict the free flow of information and ideas to its citizens for crass economic reasons which do not even meet the test of business logic, much less more aesthetic considerations.

My general feelings on what is being done are summed up very well by a distinguished Canadian writer with one of Canada's finest newspapers, the Halifax *Chronicle-Herald,* in a recent column. I am referring to William Smith, commonly known as Bill Smith. Let us consider what Mr. Smith had to say, admittedly with tongue in cheek but also with a certain amount of irony and logic, on the general subject of content control. He writes:

> Some little while past, I had drawn to my attention that Canadians, including those in their formative years, are being exposed to the writings of a relatively ancient Englishman named Shakespeare. Not only is he a non-Canadian, but I gather there is some question about his authorship of some material put out under his name.
>
> A number of helpful people have since been in touch with me, recognizing and sympathizing with my concern that the Canadian content regulations are not sufficiently strong.
>
> It has been suggested that a blanket Canadian content requirement in the arts could include an escape clause in application to authors, composers, painters, sculptors, whose work was completed prior to confederation.
>
> Reluctantly, I concede that such an exemption might have some merit, provided that it were offset by a rigid requirement of Canadian content of 75 per cent or more in any work completed after July 1, 1867.
>
> Examining my own small collection of books the other day I was shocked to find it almost entirely made up of the writings of foreigners—many of them ancient foreigners whose works are out of date and obviously of no application to the Fortress Canada we are attempting to build today.
>
> I have an acquaintance who has some small familiarity with music, who tells me that the situation is no better in that field than in literature. Perhaps worse.
>
> Accepting his assessment as accurate, which I must do on past record, it appears that we are exposed to people named Handel, Bach, Chopin, Grieg, Lahar, Strauss, and on and on the list goes—foreigners every one.
>
> Obviously more, much more has to be done to encourage Canadian culture.
>
> The thought was expressed to me that our cultural guides in Ottawa might, after dealing with *Time, Reader's Digest,* cable TV and such matters, turn to the modern application of the excellent work of Thomas Bowdler, a onetime editor of Shakespeare.
>
> Mr. Bowdler had the public interest at heart.—

If I might make a comment here, Mr. Speaker, probably in the same way as the Secretary of State (Mr. Faulkner).

> —and in his editing expurgated the so-called Bard of Avon of words, phrases and suggestions "which cannot with propriety be read aloud in a family." He was so successful that to this day we recall him in the term "bowdlerizing".
>
> The approach might be—in the case of Shakespeare, for example, to leave the middle act as it stands, but have a Canadian write a new first and third act, thus bringing the whole into line with Canadian content standards.
>
> With some difficulty, perhaps, the same principle could be applied to Shaw, Pope, Shelley, Swift and all the rest.
>
> There would remain the problem of what to do about the mass of foreign material now in the hands of Canadians. I don't favour direct police action, at least until the carrot technique has been tried . . .
>
> We might, for example, call in all albums containing the works of Mendelssohn, giving in return a Canadian album of the works of a Canadian composer—the job financed by the government.
>
> Similarly, in the case of literature, and, of course painting. One could turn in a Titian and get in return a good, solid Canadian painting by a Canadian painter.
>
> Nor should we destroy the material gathered by the government. It would be sufficient to return it to the nation of origin, with a suitable covering letter.

Some of these comments obviously are satirical in nature but unfortunately, from the point of view of what this government has tried to do, they reflect with telling accuracy and Thurber-like perception some of the specious logic that my friends on the treasury benches are using. Mr. Smith continues and concludes his interesting column by saying:

> I know I am beginning to feel self-conscious about the foreign material, particularly the books that I have been reading for years, unaware of their subtle anti-Canadian influence. Without them I will be the better when they are gone, and are replaced by sound, nationalistic Canadian volumes.

The only problem is that it is not that easy to get meritorious works by Canadians unless they have some standard to which they can reasonably hope to relate and be measured in competition. With the various machinations of this incompetent government it is easy to lose sight of the basic raison d'être for Bill C-58. It is worth recalling, however, that the supposed reason we have this bill before us is the government's stated desire to assist the Canadian periodical industry. Perhaps it is worth taking a moment or two to analyse the kind of legislation we now have before us against that basic goal.

There is no magic to the rudimentary facts of life of the magazine industry. Stated in simplest terms, they are that a readable product and effective promotion produce circulation which in turn produces advertising, which earns the revenues with which both the product and promotion can be maintained and expanded. That is how the business works, and any government program which purports to assist Canadian periodical publishers must fit within that framework if it is to be effective. Bill C-58 simply does not meet that test. What we have before us is not a bill of any worth-while assistance to Canadian magazine publishers but, rather, an example of this government's dual penchant for the most narrow and chauvinistic nationalism and the most arbitrary and unfair use of administrative fiat.

I want to come back to both of those points, but first let me take a moment or two to examine C-58 in its present form within the basic context of how the magazine industry works. In terms of assisting Canadian periodicals to achieve increased circulation, this bill offers virtually nothing. There is no evidence whatsoever to suggest that running the Canadian edition of *Time* magazine out of the country, as this government seems bent on doing, will

affect the end circulation of *Time* very much. It can either print and publish its U.S. edition here, perhaps with Canadian advertising inserted at reduced rates to offset the loss of tax deductibility, or it can simply mail the U.S. edition directly to its Canadian subscribers. Either way, as I say, there is no evidence that its circulation will suffer significantly or that Canadians will desert this magazine, with its unique style and format, for *Maclean's* or any other supposed Canadian alternative.

So the bill is a total failure in terms of being a negative aid to circulation, that is, by driving circulation away from the big, bad American competitors. In positive terms, in terms of offering any concrete assistance to Canadian periodicals effectively to promote and build their circulation, Bill C-58, of course, offers nothing whatsoever. Indeed it seems beyond the imagination of this government—and this Secretary of State in particular—to think in anything approaching positive terms when it comes to strengthening Canadian cultural institutions.

● (1720)

After all, it is much easier to punish the supposed villains than it is to provide positive encouragement to Canadians, and this is true not only of periodicals and the publishing industry but in business as well.

The claim of the government, of course, is that Bill C-58 will be of direct benefit to Canadian periodicals in that advertisers who are denied access to *Time* would reinvest these funds in other—in the government's terms—more suitable publications. That is pure sophistry and if the Secretary of State does not know that he is even more divorced from reality than his unbelievable performance on this bill would make us believe.

Advertisers or their agencies choose the media in which to place their advertising and their dollars on the basis of which outlets reach the largest number of consumers at the best price. The "cost per thousand" approach is what they use. On a more sophisticated basis, they will combine this basic factor with a medium's ability to reach a particular kind of audience which is seen as especially relevant to the goods or services they seek to sell: women's products in women's magazines, travel and luxury goods in media whose readers have an above average income range, and so it goes.

I defy the Secretary of State to tell me that, given the extent of *Time's* audience in mass terms, and given the kind of audience the magazine traditionally reaches, there are other more Canadian periodicals, periodicals with a higher Canadian content, available to pick up these advertising dollars. There just are not any and the minister knows that as well as I do. In terms of practical assistance to Canadian periodicals, this bill is a non-starter. As I have already said, it represents, instead, a startling example of this government's misguided sense of nationalism and its utter disregard for a sense of administrative regularity or fairness of any kind.

Non-Canadian Publications

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Victoria (Mr. McKinnon)—National Defence—Proposal to lease Leopard tanks—Government position—Alleged overpricing of tanks by senior officials; the hon. member for New Westminster (Mr. Leggatt)—The Canadian Economy—Anti-inflation program—Possibility that insurance corporation will be addendum to agreement with British Columbia; the hon. member for Simcoe North (Mr. Rynard)—Health—Lassa fever—Possibility of interference with regulations by World Health Organization—Effectiveness of quarantine measures.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, at this point in the debate on Bill C-58 it seems that everything which could be said has already been said, but I should like to say a few words on this bill on behalf of my constituents. I might add that in my time here I have never seen a piece of legislation debated in this House which has met so much opposition from every corner of the House. Some of the most damaging statements made to date on this bill have been made by hon. members on the government benches.

Most, if not all, hon. members who have spoken on this bill have stated that mail from their constituents has been 90 per cent or more against the provisions of the bill, especially those relating to the status of *Time* and *Reader's Digest*. My mail has been almost 100 per cent in favour of leaving those two magazines as they are. However, we know now that the government does not care what the people of Canada want. The Secretary of State (Mr. Faulkner) and the Minister of National Revenue (Mr. Cullen) are out to get *Time* magazine, and after the recent accommodation which was made between the government and *Reader's Digest* it should be clear to everyone that that was the whole purpose of the bill.

The mere fact that the government chooses to ignore the weight of argument in this House against this bill, and that

both the Secretary of State and the Minister of National Revenue know that the Canadian people have voted overwhelmingly against this bill with their letters, leads to only one conclusion: Bill C-58 is purely and simply a vendetta against *Time* magazine. We were told a few days ago that the government had backed down and made an accommodation with *Reader's Digest*, so all we have to do here is debate the merits of whatever the government accepts with regard to the publishing guidelines for *Time* magazine. I do not think a watered-down version of *Reader's Digest* is an acceptable compromise. I do not believe there has been any real purpose in tying up this House for days on end simply to lend an air of respectability to the private war of the government against *Time* magazine, crippling *Reader's Digest* in the process. This House has been used by the Secretary of State and the Maclean-Hunter interests to carry on a one-sided fight against two fo the finest publications in Canada, and it is a fight no one can win. Maclean-Hunter would not have to fear *Time* and *Reader's Digest* if they were able and willing to produce and publish a magazine of the quality of *Time*. The people of Canada will not win, because they will lose two of our best magazines and they will not be given anything in their place. It will just be a case of losing. Usually, when people are asked to give up something, it is because they are being given something else which is just as good, or better. That is not the case here.

There is another thing about this bill which concerns me and I know it concerns the people in my riding. There is little doubt that this bill will be passed, as my colleague the hon. member for Parry Sound-Muskoka (Mr. Darling) has pointed out, because there are enough hon. members on the government benches who will vote for it, knowing that their constituents would rather they voted against it. Once this bill becomes law, the government will be able to say that it has been given approval by parliament to exercise censorship of the press in this country. It has been pointed out over and over again that this will only be the starting point for this type of government interference and government intervention into the editorial content of press, radio and television. We have already seen recent examples of interference in broadcasting by the new chairman of the Canadian Radio-Television Commission, and this bill will help to tighten the circle.

I cannot believe that the Secretary of State, or anyone else in the government for that matter, has thought out the matter of editorial content. During the hearings of the Standing Committee on Broadcasting, Films and Assistance to the Arts last December, the hon. member for Battle River (Mr. Malone) made a very good argument for the impossibility of determining the Canadianism or the non-Canadianism of a group of words as a mathematical percentage. The witness at that time for the Department of National Revenue, Mr. Hodgson, also made the point that this determination would have to be a matter of judgment. In other words, one person on a given day would make his or her own interpretation of a page of editorial matter in a magazine and make a judgment as to whether it was Canadian enough to meet these guidelines; on another day, another person might presumably arrive at a different interpretation of a similar page of editorial matter and therefore make a different judgment.

[Mr. Scott.]

Under the present structuring of the Department of National Revenue, it will be impossible for that department or any other department to undertake the mammoth task of reviewing and interpreting every page of editorial matter published in the magazines this government has indicated are suspect. It appears that the only answer to this dilemma is to establish a federal board of censorship, under a master censor, and it might also be a good idea to deny the right of appeal. As we all know, judgments of the Department of National Revenue can be appealed. What would happen if one particular magazine decided to appeal the judgment of the revenue department on a page by page basis? Each appeal would deal with a page on which someone had made a judgment, and this could go on forever. Mr. Hodgson tried to explain the manner in which these judgments would be made when he said to the committee:

> In a 100-page periodical, for example, we would be looking at each page in turn to see whether that page was the same or different from something else; and if it were the same, we would then ask ourselves, "Was that page procured under a continuing arrangement, or not?"

I wonder how many members of the government or of this House can make anything out of that nonsense. At the same time, the government, through the Secretary of State and the Minister of National Revenue, is talking about percentages the witness from National Revenue is saying that it will be a matter of personal judgment. We just keep getting deeper into a mess that nobody understands. It will get even messier and even more impossible to understand.

● (1730)

Considering the wave of opposition that continues to mount against this bill, Mr. Speaker, I feel that the government should release its members and allow a free vote on these amendments and on the bill itself. It is common knowledge that members of all parties in this House have received a considerable amount of mail on this subject, and common knowledge that the weight of public opinion expressed in that mail runs heavily in favour of *Reader's Digest* and *Time* magazine and against the government. Several members on the other side of the House have spoken against this bill, and there must be many more who are against it but who have not spoken out. Let us determine in the most democratic way possible whether the government can muster the support it needs on a free vote to pass this bill.

When I decided to speak on this bill I also decided to support motion No. 5, standing in the name of the hon. member for Vancouver-Kingsway (Mrs. Holt). After thinking it over I decided to take it a step further. Before I do, may I commend the hon. member for her courage in standing throughout the debate so firmly on a point of principle. I, and others in this House, watched the hon. member being harassed and hampered in her efforts by her own colleagues. They went so far as to deny her the right to sit on the Standing Committee on Broadcasting, Films and Assistance to the Arts while it considered the bill.

The hon. member's amendment is a step in the right direction, but I have thought about the whole question of ownership as spelled out in the law and cannot find any justification for specifying any degree of ownership for any corporation, commodity, or anything else, including magazines, other than the 51 per cent required by existing

Canadian law. Federal, as well as Ontario law, defines ownership as being in the hands of anyone holding 51 per cent of the stock in a corporation, or 51 per cent or more of the established value. I do not see any reason for a new rule of thumb for magazines or anything else. If ownership is established in present law, why should we discriminate against magazines or any other types of corporate endeavours in Canada?

Present federal and Ontario laws concerning foreign ownership of corporations doing business in Canada specify that 51 per cent of stock in such corporations must be owned by Canadian residents. I would therefore move the following amendment, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That amendment No. 4 to Bill C-58, an act to amend the Income Tax Act, be amended in clause 1 by deleting the figure '75' in line 3, and substituting therefor '51 per cent or more'.

The Acting Speaker (Mr. Turner (London East)): Order, please. We will take this proposed amendment under advisement and consider it.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my remarks with respect to the proposed motion to amend Bill C-58 will be quite brief. The government has made it clear that it intends, whatever the opposition might be within the country, within this House or within its own caucus, to force this bill through parliament as rapidly as possible. I think it is bad legislation. I think the government should take a second look at it before requiring it to be passed. I support the motions which would result in one year's delay in the implementation of the legislation because this would give the government a chance to reconsider its policy and reverse its direction.

There was an interesting development with the announcement by *Reader's Digest* that it feels the deal cooked up with the Minister of National Revenue (Mr. Cullen) will enable that publication to continue in business. This is an important development. We were told time after time, as government members spoke on this legislation, that it was vitally important to the survival of the Canadian periodical industry that *Reader's Digest* of Canada be put out of business and that its advertising revenue be made available to the other Canadian publications.

It is interesting that the government should have changed its mind on this issue. It does not feel this is important any more. It does not feel it is crucial that *Reader's Digest* be put out of business. The government felt the pressure within its own caucus, within the country at large, and it has finally retreated. It has recognized that it would be extremely unpopular in the country at the present time to force this legislation upon the Canadian people. So it has left one target. The government is not terribly concerned about peripheral publications such as *MD of Canada* which would be affected by this legislation, but it is concerned about *Time*.

I am sure hon. members opposite do not realize the difficulties they are apt to encounter from trying to proceed with this legislation at this point in time. There is no reason for this House to be asked to deal with legislation of this kind, especially in view of the information that came to the attention of members of parliament as a result of the circular all members received from *Reader's Digest*. What is to happen to other publications? Other magazines and periodicals will be affected by this legislation. What will happen to *TV Guide*, to our medical journals and other journals which the Canadian people like to read? I suggest that the House would be well advised to delay this legislation for 12 months, which is what the motion suggests, and to reconsider the entire gamut of the matter.

The statement of the Minister of National Revenue regarding the 80 per cent content, 80 per cent the same as, or 80 per cent different rule—whichever way you want to interpret it—was most unfortunate and dangerous. I do not care what the minister says, and I care less for the government. I say emphatically that the minute any government begins to decide what the Canadian people shall read, it becomes very, very dangerous. I am surprised that the hon. member for Sault Ste. Marie (Mr. Symes) goes along with the government in this regard. You do not build up the weak by tearing down the strong. It seems to me that there are other ways to help Canadian periodicals develop, other ways to help them become strong.

The magazine *Country Guide* is not nearly as large a publication as it once was, mainly because of the cost of postage. I suggest we can support Canadian periodicals in many ways. Why are we not looking at those ways and means of supporting the industry within Canada? I am sure we in the opposition are just as great Canadian supporters as anyone else in Canada. Nevertheless, why do we have to try to tear down the strong in order to build up the weak?

The Secretary of State (Mr. Faulkner) mentioned that this bill has generated a lot of mail, pro and con. I agree with him to some extent. However, the great majority of mail that came into my office was in favour of continuing *Reader's Digest*. I would say it was about 50 to one in favour. I know at one time I had received about 500 letters or more. I point out to the Secretary of State that the letters are again starting to come into our offices. Therefore people must be concerned about this matter.

Many people have questioned the 80 per cent rule set by the Minister of National Revenue. They feel that *Reader's Digest* will not be as good a magazine. Many people stated in their letters that, of all the magazines that came into their houses, *Reader's Digest* was the only one they really liked and respected. They do not want anything done to change that. I hope the minister gives that matter serious consideration. The directive issued by *Reader's Digest* officials came as a shock and surprise to many members including, I am sure, some on the government side.

The government would be well advised to really consider this amendment. The bill should be taken out of the House for 12 months and sent back to committee. It is unfortunate that the minister has become dogmatic and is going to force this issue, even though there have been so many inconsistencies. Since the presentation of this bill, changes have been made. We had content rules requiring 50 per cent, 60 per cent, 70 per cent, and 80 per cent Canadian content. This is frustrating for anyone. We had to wait 12 months for this legislation, then at the last moment the statement concerning *Reader's Digest* was made. We have no guarantee that the statement will be lived up to, that there is provision for *Reader's Digest* to survive.

We then encountered a real difficulty. Who is to decide if any publication is 80 per cent different? I cannot accept the government's action. I believe the Canadian people have the right to decide for themselves what they want to read and when to read it. If there is to be more state control in all facets of our way of living, I suppose we will have to accept it. Yet merely because we are embarking on a program of economic controls which may last three years is no reason for accepting a publishing control which may last for all time.

● (1740)

It is most unfortunate that any minister, not necessarily this Minister of National Revenue, or any government, by any whim of fancy can change the whole aspect of this. This is a very dangerous precedent that we are setting here today. I hope the minister and the government will reconsider and accept this amendment. They should take the legislation back to committee where it can be reconsidered once again and dealt with adequately. This is an unprecedented move. It is beneath the dignity of this House of Commons. I hope the minister will give it further consideration

I think of certain members of the standing committee on the government side who were in fact against the bill. I think of the hon. member for Cochrane (Mr. Stewart), the hon. member for Vancouver-Kingsway (Mrs. Holt), the hon. member for Ontario (Mr. Cafik), the hon. member for Vaudreuil (Mr. Herbert) and others. There are a great many more who may not have spoken, but those were members of the committee and they did their best to get the government to change its mind. That is one reason why I am speaking in favour of the amendment recommending that the bill be given a year's hoist during which the government can reconsider its position, allowing us to consider the matter a second time.

This is probably one of the most evasive bills we have had in this thirtieth parliament. It has generated more mail than any other piece of legislation. One need only read the speeches that have been made. The Leader of the Opposition (Mr. Stanfield) has been on his feet twice with regard to this bill. It is very interesting to read his arguments. No one in this House will question his integrity and concern with regard to this or any other bill. I wish to read some of the points he made with regard to these amendments. I quote:

> Some years ago this House laid down the principle that if advertisers wanted to qualify for income tax deduction, their advertisements had to be placed in publications not substantially the same as foreign publications or, more accurately, that income tax deductions would not be permitted in cases where those advertisements were placed in publications substantially the same as foreign publications. I make the point that "substantially the same" could not, by any stretching of the English language, mean "80 per cent different." Neither can the English language be so tortured that "substantially the same" means "20 per cent the same." For example, to suggest that a publication "25 per cent the same" as another publication is "substantially the same" is a misuse of the English language. Clearly, the government is changing the law which parliament adopted, and not by asking parliament to change the law it is doing it simply with a ministerial interpretation.
>
> A few days ago the hon. member for Mississauga (Mr. Abbott) was surprised that I should be surprised at the Minister of National Revenue's interpretation of this law. The hon. member suggested that the minister and the department must as best they can frequently interpret the various laws they are called on to administer, particularly the Income Tax Act . . .
>
> [Mr. McKenzie.]
>
> I recognize that in connection with radio and television the CRTC is following a policy involving the determination of Canadian content. The CRTC lays down rules about what proportion of the programming has to be Canadian content; it determines what it will accept as Canadian content. I am not happy about this set-up. I am not happy about the fact that television and radio stations have to renew their licences every two or three years. I would think that in the six-month period before a licence has to be renewed, the owners of those stations are perhaps a little nervous about the CRTC's attitude. They might be inclined to be a little careful about what they put on their stations during that period. I emphasize that I am not suggesting any improper motives as far as the CRTC is concerned; I am just saying that it is an unfortunate situation. There may be no way of avoiding it.

These speeches go on and on. It is unbelievable that the government is being so adamant with regard to Bill C-58. I hope that the two ministers most involved with this bill and the members of their party who have so clearly spoken out against aspects of it will now give serious consideration to reviewing all aspects. With such strong feeling all across Canada, it is unbelievable that they are taking such a strong stand against the opposition and the Canadian people. I certainly hope the two ministers will reconsider.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I will add only a few words before pointing out that I almost entirely approve the amendment now under consideration. We must not forget, Mr. Speaker, when discussing that amendment and the bill that we recognize, that I at least recognize, the laudable intention of the government which is trying to promote the typical Canadian periodical. The intention is fine, it is even praiseworthy. Unfortunately, we are moving towards a rather narrow nationalism and there is sometimes a tendency to resort to law and show some pettiness.

That is why I think the proposed amendment would seem to correct the mistakes that occurred as this famous bill was being prepared. Mr. Speaker, a very objective analysis had to be made of the context of this bill to be able to judge it adequately. We all agreed on that, which is why I support the amendment that a periodical be considered Canadian if 75 per cent of its directors and owners are Canadians, if its writing and publication operations are carried out and controlled in Canada, and if no more than 40 per cent of its content, except advertising, had first been published in a single periodical outside Canada.

I think that nobody objected to control, owners and publishers being 75 per cent Canadian but progress stopped at a certain moment with the famous 80 per cent difference in content and that was a mistake and the minister himself seems to have recognized it by interpreting his bill in a particular way to provide that *Reader's Digest* be considered a Canadian periodical with a content of 80 per cent as set forth. That interpretation is still not as clear as if it were contained in the bill. That is why I think the amendment before us becomes very good since a point had been reached where things were being judged backwards. How can a periodical which by its very nature is a digest of articles relating what is happening all over the world and written by people the world over have an 80 per cent different content from what might be published abroad? We were faced with a dilemma.

Mr. Speaker, when the committee sat I asked the question to a representative of *Maclean's* who said that if *Reader's Digest* disappeared his own company could never

create in Canada a similar magazine because that would cost too much. All that explained why we stood for the interests of *Reader's Digest*. It was impossible in any event to have a substitute. The minister and the government have forgotten certain facts that arise from the very nature of these periodicals. I am wondering why *Time* should not be considered as a Canadian magazine if it meets the same conditions that are imposed to *Reader's Digest*.

Even though I do not affirm that the bill has been strongly influenced by *Maclean's* owners, one must contemplate such a possibility. It is all very well to promote Canadian periodicals, we are all for that, but we should not create a monopoly of inferior quality to other magazines that seem to serve Canadian interests very well. Mr. Speaker, we should not make such a mistake.

That is why, in my opinion, this amendment is highly justified and all members in the House, including of course those on the treasury benches, should accept it. Thus would an issue which has been under study for far too long be settled in a reasonable and precise manner. There is a time when the government should curb their arrogance and accept what appears more and more to correspond to the opinion of the majority in this House, regardless of political allegiances.

● (1750)

[*English*]

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I am pleased to enter this debate on Bill C-58. I have just been reading the speech made by my hon. friend from Parry Sound-Muskoka who at one point quoted comments made by Mr. Gordon Sinclair. One of Mr. Sinclair's comments as reported at page 10755 of *Hansard* for February 9, reads:

> For months I have been saying and believing that the legislation being passed in Ottawa requiring that publications be 80 per cent Canadian content in order to be considered Canadian was discriminatory and immoral and was being rammed through parliament for one reason only, to get rid of the Canadian edition of *Time* magazine. By the way, if the rule was to be strictly enforced they might get rid of most Canadian newspapers as well.

My hon. friend from Parry Sound-Muskoka then went on to quote Ian McKenzie of Station CJAD, who said on February 4:

> As you know, the Trudeau government has been trying to boot the Canadian editions of *Time* and *Reader's Digest* out of Canada, and now the government has backed down on *Reader's Digest*. That's good news for the hundreds of *Reader's Digest* employees in Montreal and it is also good news for anybody who values the free press in this country. The government should now back down on the Canadian edition of *Time* and withdraw Bill C-58 and its own interpretation of Canadian content. The real problem here is with the Canadian content rule.

He went on to say:

> More than 80 per cent of the contents of a Canadian periodical must be material which has not appeared in prior issues of foreign publications. And I should like to add here that "foreign publication" refers to one with which the Canadian periodical has a continuing arrangement. Now this so-called Cullen rule gets right down to the arrangement and size of photographs on a page. Suppose a photograph appears in the Japan publication and a similar view of the same photograph then appears in the Canadian magazine. It will not be considered Canadian content.
>
> But here is the rub. Who decides what is Canadian content and what is not? I expect it's the boys in the Revenue Department in Ottawa. They are the same gang which decides for all of us what is a dirty book.

He went on to say:

> Mr. Robert Stanfield said this legislation is not acceptable to anyone who still believes in the fundamental principles of a free democracy. Mr. Stanfield is right. The government should withdraw Bill C-58 and review its 80 per cent content rule.

Mr. Speaker, I should like to call it six o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): An amendment was introduced just prior to six o'clock. It was moved by the hon. member for Victoria-Haliburton (Mr. Scott), seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

> That amendment No. 4 to Bill C-58, an act to amend the Income Tax Act, be amended in clause 1 by deleting the figure "75" in line 3, and substituting therefor "51 per cent or more".

The House is presently studying an amendment to motion No. 4, and the hon. member's amendment does not seem to be relevant to motion No. 4. The Chair would advise the hon. member that at present it is not receivable as an amendment to the amendment to motion No. 4, but it could be offered later on after we have disposed of the amendment of the hon. member for Vancouver-Kingsway (Mrs. Holt). The question is on motion No. 4 and on the amendment thereto. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Some hon. Members: On division.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Pursuant to section (11) of Standing Order 75, a recorded division on the proposed motion stands deferred.

As the House is undoubtedly aware, there is some affinity between motion No. 5, standing in the name of the hon. member for Vancouver-Kingsway, and the amendment moved by the same hon. member to motion No. 4. This raises a question of procedure which perhaps could be avoided, at least for the time being, if the House would agree to standing motion No. 5 until a decision is taken on motion No. 4. Is it agreed?

Some hon. Members: Agreed.

Motion No. 5 stood.

Mr. Benno Friesen (Surrey-White Rock) moved motion No. 6:

> That Bill C-58, an act to amend the Income Tax Act, be amended by deleting clause 2.

Non-Canadian Publications

He said: Madam Speaker, as the mover of this motion I ask leave of the House to have it stood until we have dealt with motions No. 7, 8, 9, and 10, and then to return to the debate later.

The Acting Speaker (Mrs. Morin): This can be done only by unanimous consent. Is it so agreed?

Some hon. Members: Agreed.

Motion No. 6 stood.

Mr. Benno Friesen (Surrey-White Rock) moved motion No. 7:

That Bill C-58, an act to amend the Income Tax Act, be amended in clause 3 by striking out line 12 at page 2 and substituting the following therefor:

"of being extended or renewed; or

(*c*) a written agreement entered into after the coming into force of this section with a Canadian subsidiary of a foreign broadcasting undertaking if the Canadian Radio-Television Commission and the Minister of the Department of National Revenue have approved a plan submitted by the said Canadian subsidiary providing for compensatory payment by such subsidiary by the allocation of funds to Canadian television program production, extension of Canadian television service, development of Canadian talent, or otherwise for the benefit of Canadian broadcasting: the commission may require as a condition for entering into any such agreement that a percentage, to be stipulated by the commission, of the voting shares of such subsidiary be beneficially owned by Canadian citizens.".

Motion No. 8.

That Bill C-58, an act to amend the Income Tax Act, be amended in clause 3 by striking out line 12 at page 2 and substituting the following therefor:

"of being extended or renewed; or

(*c*) a written agreement entered into after the coming into force of this section with a Canadian subsidiary of a foreign broadcasting undertaking if not less than seventy-five per cent of the voting shares of the said Canadian subsidiary are beneficially owned by Canadian citizens and a percentage of the gross revenues of the said Canadian subsidiary, to be agreed upon by the said Canadian subsidiary and the Canadian Radio-Television Commission, less only normal advertising agency and sales agencies commissions, is allocated directly to Canadian television program production, extension of Canadian television service, or other broadcasting objectives for the benefit of Canada: an allocation so made to be pursuant to a plan made by the commission and approved by the Minister of the Department of National Revenue.".

Motion No. 9.

That Bill C-58, an act to amend the Income Tax Act, be amended in clause 3 by striking out line 12 at page 2 and substituting the following therefor:

"of being extended or renewed; or

(*c*) a written agreement entered into after the coming into force of this section with a Canadian subsidiary of a foreign broadcasting undertaking if a sum of money in the amount of twenty-five per cent of the gross revenues of the said Canadian sudsidiary less only normal advertising agency and sales agency commissions, is used for Canadian television program production, extension of Canadian television service, educational television or other broadcasting objectives for the benefit of Canada: the method of utilization of such amount to be determined by the Canadian Radio-Television Commission and approved by the Minister of the Department of National Revenue.".

Motion No. 10.

That Bill C-58, an act to amend the Income Tax Act, be amended in clause 3 by striking out line 26 at page 2 and substituting the following therefor:

[Mr. Friesen.]

"aircraft not registered in Canada and which fails to observe guidelines for such foreign broadcasting undertaking jointly established by the Minister of the Department of National Revenue and the Canadian Radio-Television Commission.".

Mr. Benno Friesen (for Mr. Wenman) moved motion No. 11:

That Bill C-58, an act to amend the Income Tax Act, be amended by deleting clause 3.

● (2010)

He said: Madam Speaker, where is all that hearty response I got yesterday? It seems to have diminished a little today. I was sure there would be a standing ovation.

I have introduced these amendments and I rise now to speak on them, certainly not on my own behalf because I get to view television less and less all the time and obviously do not get to see it at home. I am speaking on behalf of the people of British Columbia, southern British Columbia in particular, and in principal for the people across Canada affected by the spirit of this legislation.

At the outset we should concede that there is, it is to be hoped, at least one area of basic agreement among hon. members, and that is that each country should have sovereignty over its broadcasting facilities. All of us need to determine the ownership and the direction of broadcasting in our country. We cannot ever give up that sovereignty and accede to the pressures of any foreign country. Having said that, it makes me wonder how genuinely and consistently we believe in that theory.

I recognize, as has been mentioned in this House I am sure on more than one occasion, that a company like Maclean-Hunter has a cable vision company in the United States, and that surely is a violation of the spirit of the philosophy we have in this country. If we do not want the Americans to control broadcasting in any form in Canada then surely we should not be invading the United States in that area.

Then I learned that there is a radio station in the Windsor area which calls itself "Detroit's largest rock station". Practically all of the advertising on it is U.S. advertising, and here is this station in essence a kind of pirate radio station. No one seems to frown on this at all.

It does not seem to bother Canadian viewers that much of the advertising we see on CBC is U.S. advertising. I think all of us are probably somewhat guilty of inconsistency in this matter of sovereignty over our broadcasting policy.

One of the things that bothers me about this legislation is that there is a lot of confusion. It is intermingled with cable policy. All the while we have been talking about Bill C-58 in the House, and we have been talking about it intermittently for a year now, there have been discussions going on in the country in areas relating to Bill C-58. For example, the whole matter of cable deletion, or commercial deletion of cable is being discussed at the same time. In the public's mind this is all one package. If this is true in the public's mind then surely it is our responsibility to sort this out and make certain we give a clear understanding of what the issues are.

Again there is another related problem, and that is that this is essentially a broadcasting policy, and again the

government is coming in by the back door wanting to control broadcasting but not through a revision, an updating, or an amendment to the Broadcasting Act, but rather an amendment to the Income Tax Act. As one hon. member mentioned this afternoon, this is a case of trying to exercise control over cultural policy by tax policy. That seems to me to be inconsistent and not the way to handle this.

If anything exemplifies the confusion that has been perpetrated on the people of Canada as a result of the fusion of the two issues, namely, cable policy and Bill C-58, it is a little brochure that came to us a day or two ago from the Canadian Association of Broadcasters. I submit to you that this is a very reputable organization. I believe it is a good organization whose purpose it is to further the aims and goals of Canadian broadcasters.

There are several areas I will be discussing in this brochure to illustrate the confusion that has been brought about by this legislation. I might interject just at this point that all legislation ought to have some universal qualities about it. It should affect all people equally and not create undue hardship on anyone.

The fact of life in Canada is that there are regional differences. Everyone in this House has spoken of these regional differences at some time or another. This is certainly true in the area of broadcasting. It strikes me that one of the over-riding pieces of confusion in this literature, as well as in the public's mind, is the contention that there is essentially no difference between the Ontario experience in broadcasting and the west coast experience in broadcasting. That is where the error lies.

There can be really no prolonged argument that New York border stations have done well by Canadian broadcasting. They are reaching a high impact area with very little investment, or at least no extra investment. They have a ready market which probably has been highly developed by the Canadian broadcasting systems. There is minimal investment in Canada. Certainly there is little return to Canada. So, no one in that sense can argue that the United States stations in New York which are broadcasting into Canada have not been doing very well, thank you. But there is a great difference which exists in Canada which this legislation does not recognize.

● (2020)

I have introduced several amendments, and I confess I introduced some of these at the committee stage, but because of the way in which the committee was structured and handled there was no hope of them receiving full study and attention let alone passage. As I have already indicated there are differences in Canada. The amendments I have submitted are designed to alleviate the hardship created by this legislation if those differences are not recognized.

I refer again to motion No. 7, the first motion I have submitted in this group, which is designed to show the difference between the situation on the west coast and that which exists in Ontario. What strikes me forcefully is that when these amendments and this whole matter were before the committee two members from British Columbia at times were notably silent about the interest that should have been near to their hearts. I refer to the hon. member for Comox-Alberni (Mr. Anderson) and the hon. member for Burnaby-Seymour (Mr. Raines), both of whose constituents are very greatly affected by this legislation.

They both refused to give these amendments adequate study and voted against them with the government. I simply want their constituents to know to what degree those two members have at heart the needs and desires of their constituents.

I should like to refer to this brochure I have mentioned to show the inequity is increased because of the confusion which exists in the public mind. The first question is:

> Why are Buffalo stations threatening to jam their signals to Toronto and Hamilton?

I suggest that is a cablevision problem. The answer given here is:

> Because the Buffalo broadcasters stand to make less profit if their commercials are deleted by cable TV companies in the Toronto area.

Then the question is asked:

> Why has the American TV station, KVOS-TV in Bellingham, been lobbying so hard against Bill C-58?

> Because the Canadian government is taking action to prevent stations, that are not licensed to serve Canadians, from making money in Canada. This threatens to reduce the profits of these American stations. KVOS derives about 90 per cent of its revenues from the Vancouver area, and Buffalo stations about 30 per cent from Toronto-Hamilton.

Is that why the Buffalo stations are threatening to jam their signals to Toronto and Hamilton? I suggest this merely perpetuates the confusion which exists in the public mind.

Then I would refer to question No. 9 which reads:

> Do American border television stations receive any special protection against Canadian stations?

The answer is:

> Yes. For example, American programme producers regard Detroit and Windsor, Ontario, as one 'market'. The end result of that attitude is that neither the CBC, nor CTV, nor Global, nor any Canadian television station can broadcast in the Windsor area any program broadcast by a Detroit station.

They forget to mention that the CBC does very well from the advertising it takes in from the Detroit area. The next paragraph states:

> If Canadian broadcasters buy these programmes, it is on the express condition that they not be shown in Windsor if Detroit has them already. This means that Windsor residents, Canadian citizens, cannot see the full Global or CBC schedule, or previously the CTV schedule, when CTV had a Windsor affiliate.

Now I ask what that has to do with the problem which faces KVOS television on the west coast. There is confusion in the public mind, and there is the inequity with which this legislation fails to deal. If this legislation were to pass, the immediate consequence would be the depreciation of programming on KVOS television in Bellingham. If we compound that problem with commercial deletion and that were to become a policy, the combination of Bill C-58 plus commercial deletion would totally destroy KVOS television in Bellingham.

I suggest to hon. members there is at least an element of a moral problem involved. KVOS television developed the market when there were few television sets around in British Columbia and when no Canadian entrepreneur was ready or willing to gamble on the market and wait for the long term profits. I remember those days when the boob-

tube was being introduced in Canada. I remember when there was only black and white television and there were only two stations, channel 2 in Vancouver and Channel 12 in Bellingham.

When KVOS-TV first came on the air it really did not have a very good signal. It was very weak and very fuzzy, with many ghosts. Several years later its transmitter was moved and the reception increased dramatically. As I say, those were the days when there were very few television sets around, but KVOS-TV took that risk and invested in a market that was largely a Canadian market.

I want hon. members to know that Canadian businessmen of that day were mighty happy to see KVOS-TV come on the scene. They were looking for another avenue by which to advertise their products. They wanted another way to expose their products to the market place. When KVOS-TV came along they were mighty glad to see it. I might add that the fact that the CBC and KVOS-TV were there in itself developed a further market for television.

Because these two pioneers in the television industry developed that market this created another market which encouraged other television stations to be built. It was not a Canadian entrepreneur who did this. It was an American entrepreneur. Now we say, "Look, the market has been developed, you have done very well, thank you, and now we will take it away". I suggest what the government really wants to do is penalize the station for its success.

Perhaps it would be correct to suggest that this kind of penalty for success is more in keeping with a socialist response than a free enterprise response. I know the government always prides itself on being a free enterprise party, but when it turns around to penalize success and the entrepreneurial spirit in this way it betrays its own policy. It seems that you are great when you are an entrepreneur trying to make a go of it, but you are a villain if you are a success.

● (2030)

The next question which we must ask ourselves is what will happen if the combined programs of Bill C-58 and cable deletion take their full effect by taking television off the air. The first obvious thing is that it leaves the advertising market to the few remaining stations in the lower mainland of British Columbia. I think all of us would agree that CBC does not care; it is not much interested in the advertising market. With 80 per cent of its revenue coming from the taxpayer, it is not much interested in advertising.

There is another station being built at present by the Western Approaches group, that is a UHF channel which will certainly not be in a strong competitive position, certainly not for another year or two. Then there is the CTV station which has at this time what could be called a saturated advertising schedule. That is good. I would never berate a television station for having grown to the proportions that CTV, channel 8, in Vancouver has grown. I think that this is a compliment to their enterprise, to their managerial skill, and to their pioneering efforts, and I would compliment them rather than berate them for it. They took a risk in moving into a market which was already shared by two existing television stations.

But if the remaining two television channels have all that is left of the advertising medium and one channel already does not care for commercial advertising, namely, CBC, it simply means there is nowhere else for advertisers to go, there is a virtual monopoly of the advertising industry in British Columbia. If the law of supply and demand takes its full effect, it will inevitably mean increased prices for advertising.

But there is another effect which the loss of this channel would have for Canadians in British Columbia, that is, less view selection.

Mr. Leggatt: Nonsense.

Mr. Friesen: My hon. friend says, nonsense. We will hear from him soon. He will obviously show us that this is nonsense.

Mr. Leggatt: You can watch Mary Tyler Moore five times a week.

Mr. Friesen: Cablevision viewers will get all the same channels and programs they get now if they get the Seattle programs. I suggest to him that they will get the balance of them from the CBC. Nevertheless, he will have to concede that there are a number of locally produced programs on the Bellingham station that we could lose if the station went off the air. But leaving the cable viewers aside, as the hon. member for New Westminster (Mr. Leggatt) knows there are still large sections of the lower mainland of British Columbia that are not on cable, that are rural in nature, and they will effectively lose another station if this station goes off the air. So they will lose infinitely more.

The truth of the matter is that while the base of operations of KVOS-TV is American and is owned by Americans, it has been in operation in Canada for more than 20 years and it has been a good landed immigrant for 20 years. It has taken its profits, it has paid its taxes, and it has reinvested its profits in Canada. In the past ten years it has returned to the Canadian economy something like $75 million.

An hon. Member: This does not mean a thing to the government.

Mr. Friesen: If the station goes off the air, it simply means $75 million over the next ten years or better than that with the inflationary spiral which we are experiencing, which the Canadian taxpayer will lose. But let us move beyond that.

I should like to point out to members of the House that none of the revenue produced by the two western film corporations created by KVOS television, Canawest Film Productions in Vancouver and Canawest-Master Films of Calgary, goes to KVOS-TV Incorporated; all of it stays in Canada. I suggest to you that that is a good landed immigrant. All of us have numbers of landed immigrants in our constituencies living among us and we have welcomed them and welcomed their entrepreneurial spirit and their investments. When they succeed, we are happy about it. But when a company such as KVOS-TV comes to Canada as a landed immigrant, we say, shame, they are taking money out of the country, when in fact they are making money for the country.

I want to illustrate for you how KVOS-TV is making money for Canada. Some time ago this station, wanting to invest more in the Canadian economy, made a proposal to CRTC which reads as follows, and I commend this for study and perusal to hon. members. KVOS-TV proposed to CRTC the formation of a television motion picture development society of British Columbia.

The Secretary of State has been evangelical in his zeal to bring before us the Canadian Film Development Corporation. This, he suggested to us, is a good way of helping the feature film industry in Canada because there are many producers, directors, designers, and so forth, in the industry who are underemployed and who do not have ways of exposing their talents to the Canadian people. Furthermore, he suggests, and I think with justification, that the market has not been very friendly to Canadian producers. So he is always advertising the merits of the Canadian Film Development Corporation. At this time I will not discuss the merits or lack of merits of that corporation, but I suggest that what the Secretary of State wants to do through the CFDC, KVOS-TV wants to do through the television motion picture society of B.C. Again I commend this to hon. members' attention. Let me read part of the proposal as follows:

There are at present two major television program production centres in Canada—Montreal for French television and Toronto for English television. Vancouver, and British Columbia in general can become a third major production source.

We propose that a corporation be set up under the name "The Television Motion Picture Development Society of B.C.". The primary and original funding source will be KVOS (B.C.).

KVOS (B.C.) will fund the society in three ways:

(a) by actual cash on a yearly basis calculated on a percentage of its gross sales in Canada, as will be set down in the following paragraph;

(b) by an original loan against future grosses; and

(c) by supplying Canawest executive personnel who will screen and evaluate projects offered to it for the appointed board of directors.

KVOS (B.C.) will contribute to the fund as follows:

● (2040)

A minimum per annum of $150,000 cash based on gross sales in Canada up to 4.5 million dollars	$150,000
6% additional cash on the gross between 4.5 million and 5.5 million	60,000
7% between 5.5 million and 6.5 million	70,000
8% between 6.5 million and 7.5 million	80,000
9% between 7.5 million and 8.5 million	90,000
10% between 8.5 million and 9.5 million	100,000

We agree to start this fund as of January 1, 1972 so that there will be an accumulation of available moneys to start operations immediately. Future payments to the fund will be made quarterly. KVOS (B.C.) will originally start the fund with $100,000 and lend the fund as needed another $100,000 at prevailing bank interest rates against future quarterly payments.

Canawest Film Productions Ltd. is willing to act as the screening and evaluating arm of the society to the extent that and as long as the directors wish. Eventually a full time executive director with appropriate staff will be required by the society. Until that time, it is estimated Canawest's executive help will save the fund up to $50,000 per year. The society's board of directors will decide in every case how moneys are to be invested and how administrative costs are to be allocated.

The society will be a non-profit organization and the fund will be a revolving fund similar to that operated by the Canadian Film Development Corporation. Profits will be returned to the fund for further investment.

Canawest Film Productions Ltd., if it is voted as the operating arm, will bring projects offered to it before the board. It will be the board's function to consider any project on an equal basis of merit be it from Canawest, British Columbia Television or any other production applicant.

Other sources of financial contribution to the revolving fund should be sought out. Some of these sources, which will be examined in the months ahead, include:

(a) the provincial government of British Columbia;

(b) federal government agencies;

(c) business corporations; and

(d) private foundations.

Assuming even modest returns from these additional funding sources and regenerative investments by the board over a period of three to five years, the society will become the third largest source of television production dollars in Canada; (after the CBC and CTV networks). It would thus extend and develop television and motion picture production into Western Canada where, without substantive help, development has been slow.

The details of the operation of the society are envisaged as being closely analagous to the operation of the Canadian Film Development Corporation or the National Film Development Corporation of Britain. That corporation is authorized to make investments in Canadian feature films, to make loans to producers of Canadian feature films and to make certain grants—all as contributions to the establishment of a feature film industry in Canada. The Television Motion Picture Development Society of B.C. operate against a background of similar general objectives with the discretion as to the fulfillment of these general objectives and the qualification of individual proposals being vested in a "board of directors".

I suggest that that kind of proposal does not sound like a company trying to bleed the taxpayers and industries of Canada of all the advantages it can get. That sounds to me like a landed immigrant who is trying to be responsible and responsive to the needs of Canadians. It took the initiative years before the Canadian government thought of putting any restrictions on the television industry in Canada. I suggest that this is a rather shoddy way of treating a good immigrant in Canada.

I suggest that the legislation before us is intended to have national application, but in this case, because of the national scope, it does not take into account the regional differences which exist in Canada. Because of the unfortunate experiences the industry has had in the province of Ontario this legislation will penalize the industry, the viewers, and the advertisers in British Columbia, and if we want to be responsible members of this House and representatives of our constituencies we cannot afford to pass a piece of legislation which will further restrict the selection of viewing by the Canadian people. I therefore ask hon. members to study the amendments I have presented carefully, give them honest consideration, and vote in favour of them.

Mrs. Simma Holt (Vancouver-Kingsway): Madam Speaker—

Some hon. Members: Hear, hear!

Mrs. Holt: As I stand here in support of the amendments I just cannot figure out who gains by this bill. I was deeply concerned about content control, and I am more concerned now about the *Reader's Digest* situation, where Canadian content simply becomes the rewriting of pages torn out of other magazines in the United States and Europe. As a journalist it is frightening to me that that rip-and-rewrite foreign is called something Canadian.

As I consider what will happen to television, particularly in my own area, I become more and more concerned. There are many more remifications to this bill than anyone ever dreamed of when the plan was drawn up initially. It seems that it must have been a negative plan or it could not have got into so much trouble. Law drafted with positive conceptions can only be good law if it serves the mass of people, but law drawn up with negative objectives is extremely dangerous, and we are seeing the results.

My argument is in support of the amendment and for doing everything we can to save KVOS. I can only speak for the west. I am not an expert on border stations generally. Canadian advertisers should have the right to buy in a competitive electronic market in the lower mainland of British Columbia, again it is freedom, the right of choice. Part of the available time is now provided by KVOS. I am sorry that I cannot use another word besides time, because I am not now talking about *Time* magazine. Even with the new Western Approaches station coming in there is less advertising time available in Vancouver than in any comparable market in North America. In other words, our networks are already jammed, and Western Approaches, the new baby which is coming to life in September, will be of some help.

If KVOS is taken out of the area, BC-TV, which is already saturated, can charge virtually whatever it wants, and I have no doubt that the advertising rates will soar. In addition, smaller advertisers, smaller retailers, and small brand advertisers will find it difficult to get efficient time in this medium. They will be literally frozen out. Once again it is the little guy and the independent advertiser, just as it is with the Canadian writer, the Canadian artist and others, who are going to be injured for the sake of saving the big conglomerates.

KVOS was invited to come into Canada, as many industries were, to build our country. It was 22 years ago KVOS was asked to come here to provide an outlet for advertisers. KVOS was in the area before BC-TV. Ray Peters, who is the head of BCTV, came before the broadcasting committee as a witness, and I heard his evidence. He said that the life of BC-TV was threatened by KVOS. That is a very interesting comment from a station with over $12 million yearly and which is part of a great and growing conglomerate.

● (2050)

They are on 25 cable stations in the state of Washington. That, for the edification of the hon. member for New Westminster (Mr. Leggatt), is in the United States of America. They are able to enter that market without suffering from the discrimination they would like Canada to impose on our invited guest, KVOS. I point out that BBC-TV came into the market after KVOS was established. No doubt it was difficult for BC-TV to get started. But it is always difficult to start a business, whether it is the corner grocery store or the little television station.

As I recall, the early years of CHAN-TV, part of the CTV network, was not exactly honourable. A friend of mine, a photo journalist, who founded the station and struggled to keep it going, was crowded out as the big money people took over and built the network into what it is now. Any business which is just getting started, whether it is a newspaper, grocery shop or TV station, must be prepared to lose money the first three or four years, must be prepared to spend money before making money. All the same, $12 million a year is not exactly chicken feed—with all respect to the Minister of Agriculture (Mr. Whelan). In that period of early struggle no business ever gets rich.

I raise another point. CHAN-CHEK or BC-TV are now almost in the position in which the Vancouver *Sun* and Vancouver *Province* found themselves when they were charged under the Combines Investigation Act. The two newspapers, under the holding company, Pacific Press, were ordered to cease and desist from further combining in their advertising sales. I understand an advertiser must buy in Vancouver, Victoria and the Okanagan if he wants to be on BC-TV and if he has distribution in those areas. Hon. members will remember why we passed Bill C-2. It was intended not to restrict competition. Perhaps we will need to impose some of the provisions of Bill C-2 if Bill C-58 becomes law.

Some hon. Members: Hear, hear!

Mrs. Holt: In the Vancouver area CBC accepts ads but is not over-zealous in taking ads. One major local advertiser said, "we have contacted CBC to give them a contract, but they can't be bothered." They have it easy—on the public purse.

Western Approaches will open new doors but not get advertising until it becomes a station people will watch and, therefore, has a measurable circulation. In other words, if there is not an alternate station to take the advertising, the advertising will probably go to the already overfat newspapers in the area and hot line radio shows. It is interesting to note that KVOS offered to work on a 50-50 basis, to share its advertising revenues to help Western Approaches grow. This offer, including the plan in 1971 to establish an all-Canadian television production studio to promote the work of our artists and actors, was turned down by the CRTC. The offer, among others, has been pushed aside, in an attitude strongly punitive to American culture.

I must say that the Americans have produced great culture. They have great sources to draw on and I do not know why we think it essential to treat them with contempt. Their history, as portrayed in art, literature, and the movies, is remarkable; yet we sit here because we are fat and think we can treat them with contempt. We will feel the repercussions some day.

Bill C-58 is actually an anti-competition bill. It nurtures big business and is in line with what the Prime Minister (Mr. Trudeau) has defined as the danger of nationalism. That is, it makes the rich richer.

Without KVOS-TV fully in the market place Canadian advertisers would be able to purchase only the product of a massive combine—BC-TV or a weak new UHF, Western Approaches, or the CBC. And you know what I said about the CBC selling advertising. As I see it, the effects of the bill are all negative. We want to save the arts in this country.

What are the negative effects? As already mentioned, BC-TV will be in such a position of power that it will be able to demand almost anything in advertising rates and

conditions. The big multinationals such as General Foods, Proctor and Gamble, Lever Brothers, General Motors and other giants will monopolize the best times on a 52-week contract basis, which little advertisers cannot possibly afford. These small brand advertisers and retailers who cannot afford long-term contracts will be showed on to the least efficient time on BC-TV. The rich national brand advertisers will by-pass the new station and the smaller business people will buy bits and pieces of time without getting the equal competitive opportunity of the giants who advertise on BC-TV. With KVOS providing a necessary service in the lower mainland, the availability of time will mean that there is equal opportunity for all.

Some hon. Members: Hear, hear!

Mrs. Holt: There is one point which may pass unnoticed now, but you who sit here supporting this ill-conceived, dangerous bill will one day have to answer to your constituents for the results.

Some hon. Members: Right on!

Mrs. Holt: I am sorry, gentlemen, I say this with great sadness. It is very, very difficult for me to stand here, on this side of the House, and say this. But I say it because I feel a great duty to my constituents and to that larger constituency we all share, Canada.

An hon. Member: The people in Vancouver say the same.

Mrs. Holt: If this bill passes, one day we will have to answer for the results. I will have to answer for the results.

An hon. Member: You are all right.

Mrs. Holt: No, I am not all right. I say that more corporate Canadian citizens will be hurt than helped by the bill. As I said, you will have to answer for that if you vote for Bill C-58, without amendments. If we had only handled this properly in committee we would not have spent two weeks as we have. Why not compromise?

Some hon. Members: Right on!

An hon. Member: It's the Whip's fault.

Mrs. Holt: No, it is not the Whip's fault. The Whip put me on, but he cannot be everywhere at once. There are too many committees.

Mr. Guay (St. Boniface): Hear, hear!

Mrs. Holt: Even those smaller citizens, the smaller TV stations, may not be aware of the inevitable result. All of you, whether you come from Halifax or Regina, or the other small towns and cities of this nation, will see what will happen to your stations, because the national brands will only be able to advertise in the big centres. Let me explain. National advertisers must have major markets, which in English Canada means Toronto and Vancouver. I don't know enough about Quebec advertising to say much about it, so I will only discuss KVOS and the English language market. If it costs more to get to those markets, the national brand advertisers will pay it.

Non-Canadian Publications

The big national brand advertisers operate on both sides of the border. They must advertise in the big market place, but they do not have unlimited budgets. Therefore if national advertisers are forced by Bill C-58 to pay huge increases because of the anti-competitive reaction to the bill in both Toronto and Vancouver, the money must come from somewhere—and that somewhere is right out of the budgets now being spent in less important marketing areas ranging from Saint John and Halifax, to Thunder Bay, Yorkton, Wingham—the constituency of the hon. member from Bruce—Regina, and Prince George.

Also, if advertisers cannot find efficient time available in the two big markets, they will not spend their money making their TV commercials. Incidentally, it costs between $10,000 and $25,000 per 30 seconds of film. Only because a spot campaign is purchased for the major markets do minor markets receive their share.

These are economic facts that any major advertiser or advertising agency will bear out if only you, as members, will do a bit of questioning and learn what is happening in Canada, happening right here.

I said, when talking about publishing, that this bill protects the big publisher but not the Canadian writer and Canadian talent. Protecting *Reader's Digest* does not mean you are protecting Canadian writers. Your are protecting people like Norman Mailer, and that was said in committee. The bill protects the rich, major market station, to the detriment of the small advertiser and the small Canadian TV station.

● (2100)

Further, to damage our U.S. signal in the west, KVOS-TV, is to eliminate opportunity for artists, animators, film technicians, writers and musicians in the electronic media and production—those talented people obtaining their first opportunities in these fields in western Canada. KVOS has been providing this for some time in Calgary and Vancouver. People are getting jobs in this. It is the largest production and animation studio in the west. The animation work is going out from Vancouver to all parts of the world. Canawest of KVOS (BC) Ltd. Studios are supplying work for Hollywood and England. This will be lost if this bill goes through.

Basic to all the amendments involving publishers there are guidelines given to allow them to become a Canadian industry. That is fine. We have KVOS (BC). It is prepared to do the same. Over the years it sought repeatedly to become Canadianized, but somehow the CRTC always put blocks in its way.

In the case of the electronic media we are just slamming the door on them and not giving them the opportunity or the guidelines to Canadianize, even though such Canadianization should be the objective of everyone of us here. I cannot help but feel that this bill was not designed for the good of Canada but with simple immature motives of destructions to destroy Americans who came here many years ago, often at our invitation. I remember when we were searching for American investors. I remember the headlines saying "New Industry to Come to Canada". The premiers would brag that they brought investors here.

That is how KVOS came to Vancouver. They became good corporate citizens. Now like some banana Republic we want to throw them out. It is so easy to destroy, and so hard to build.

An hon. Member: Tell us about "Terror in The Name of God."

Mrs. Holt: Terror in the name of Bill C-58.

Some hon. Members: Hear, hear!

Mrs. Holt: In fact it rather reminds me of George Bernard Shaw's line, "Assassination is the extreme form of censorship". That is what they are doing here—Assassination of KVOS, *Time*, *Reader's Digest*, *MD*, and the rest.

Some hon. Members: Hear, hear!

Mrs. Holt: My constituents have let me know by hundreds of letters and phone calls what they want me to do. Now, some here say it started when *Reader's Digest*, *Time* and KVOS began their campaign. But I received letters even before I became a member of parliament asking me to write about this and, after, asking me to fight here for them. The citizens know their rights. They are not stupid. The citizens know as much as we do. We have an educated, well informed public. They resent any action by government or government agencies such as the CRTC to remove their right of choice, to get *Time* with Canadian content? Why should we in the west not get *Time* magazine with Canadian content? Over here on this side of the Chamber they say you can still get *Time*. But that is the imported version. My constituents and I are entitled to get a magazine with six, seven or eight pages Canadian, and all the world news at the same time.

Some hon. Members: Hear, hear!

Mrs. Holt: I want *Reader's Digest*. *Reader's Digest* has provided true Canadian content, not Toronto content.

Some hon. Members: Hear, hear!

Mrs. Holt: It is produced by Canadian writers, editors and printers. KVOS is a television signal that we enjoy. If you don't watch it, Stu, that is not my problem. It is yours. I am sorry, Madam Speaker, we get very personal around here when we get to know each other too well. I should have said the hon. member for New Westminster (Mr. Leggatt).

Canadian advertisers and Canadian agencies composed of Canadian citizens also know their rights. They believe they still have the right of choice and opportunity, whether rich or beginners in business, whether large or small agencies selling advertising. It is remarkable that the big companies, the rich multi-nationals which can afford it, can advertise outside Canada and deduct it as an expense toward earnings.

You can send a salesman down the west coast of the United States to sell commodities, and that is deductible. However, how incongruous, how patently petty and discriminatory that we can behave so crassly toward Canadian settlers, these landed immigrants of 22 years who settled in our city, in this case KVOS. That is 30 miles. Do hon. members know that the border is only 30 miles from Vancouver? They are not only neighbours; they are friends.

An hon. Member: Trudeau is out there pacing it off.

Mrs. Holt: Yes, and I wish I could be there so I could share in his glory.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but her time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mrs. Morin): Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): There is not unanimous consent.

Some hon. Members: Oh, oh!

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Thank you, Madam Speaker. I think that before we go on with the discussions of the various proposed amendments to this bill, we should indicate from the start that all these amendments aim more or less at granting special status to a foreign radio station. In the final analysis, that is about all was said in each of the proposed amendments to this bill.

All the measures which are included in each of these amendments make possible the exploitation of the Canadian market by an American station—and this is precisely what is happening in the situation we are now discussing: American stations are coming here to exploit the Canadian market. All those measures which would enable—

Some hon. Members: Oh, oh!

Mrs. Sauvé: . . . which would enable them to continue—

[*English*]

The Acting Speaker (Mrs. Morin): Order, please. For the time being the minister has the floor. If the hon. member wants to participate later, he will be given an opportunity.

[*Translation*]

Mrs. Sauvé: And the measures proposed by hon. members of the opposition would certainly be contrary to the purposes of the Broadcasting Act.

But in practice, because of our tolerance, those TV stations operate in a country where, we must admit, they are not even licenced. And we must react promptly, something we should have done long ago, in front of a situation that built up slowly because it is so easy for American programs or publicity to penetrate into Canadian territory.

Traditionally our country has no frontiers and obviously, when dealing with waves, it is still more difficult to mark the boundaries. It remains that ads which normally should be placed here to support Canadian industry cross those frontiers.

[*English*]

Mr. Epp: Madam Speaker, I rise on a point of order. I would like an explanation as to whether the minister rose for the purpose of asking a question of one of her own backbenchers or whether she has been recognized by the Chair to participate in the debate. If that is the case, then I would think that the order of speaking has been determined well in advance, that after a government member has spoken a member of the opposition has the right to speak.

The Acting Speaker (Mrs. Morin): It has been common practice to recognize a minister when a minister wants to participate.

[*Translation*]

Mrs. Sauvé: Thank you, Madam Speaker.

● (2110)

[*English*]

Mr. Brisco: On a point of order, Madam Speaker, it has been common practice since I have been in this House for Speakers, including Madam Speaker, to draw to the attention of those who are debating that they are wavering from the point that is up for discussion. Frankly, I do not think the minister is dealing with the amendments which are before us.

The Acting Speaker (Mrs. Morin): We are studying motions Nos. 7, 8, 9, 10 and 11 and I am sure the minister is speaking on one of those amendments.

Some hon. Members: Hear, hear!

[*Translation*]

Mrs. Sauvé: Thank you, Madam Speaker. Indeed I rose to participate in the debate on Bill C-58 to discuss the amendments under study tonight, to answer the arguments of hon. members of the opposition as well as those of the hon. member for Vancouver-Kingsway (Mrs. Holt) and I shall come to the statement she made during her intervention a moment ago.

An hon. Member: The hon. member for Vancouver-Kingsway is not at her desk.

Mrs. Sauvé: Nevertheless I wanted to say that our policy in opposing the amendments moved by the opposition is important because how could we require, Madam Speaker, what we require from Canadian broadcasters if we did not have at the same time a policy to protect their income? The Canadian television and radio industry is in a precarious situation in many ways. We do not have as large a market as our American neighbour. It is not possible for us to get as large an income as that which feeds the American industry. If we want to develop a Canadian industry in this country, it is absolutely necessary for us to protect its income, because without income there cannot be any really Canadian production; there cannot be any original production in this country; above all, there cannot be any possibility for us to protect the income of the many Canadian actors, artists and artisans involved in the professions related to television and radio.

If we want to attain a certain level of quality in our production, a certain level of excellence in our—

[*English*]

Mr. Friesen: On a point of order, I am sure the minister would not want to mislead the House in the remarks she has made in that there would never be any money for the film industry in Canada. If she had listened to my speech very carefully she would have noted the proposal made by KVOS TV in Bellingham. The proposal was that $100,000 would be invested in the film industry—

Some hon. Members: Order!

Mr. Friesen: —which would not be tax money but would be direct investment on the part of the company.

[*Translation*]

Mrs. Sauvé: Mr. Speaker, I have listened to the speech of the hon. member. The compensatory payments suggested in his amendment, that is that a foreign company which received authorization to obtain revenues in Canada would contribute to a compensation fund which would be allocated to Canadian production, will never have the value of a truly Canadian production, made with Canadian funds, by Canadian workers and producers. In spite of the optimism of the hon. member, this fund could never reach the proportions which will be possible if we protect our industry in such a way as to allow it to sponsor its own production. The hon. member is much too optimistic concerning the possible effects of this fund, which would moreover be created by foreigners.

I reread Motion No. 7 in which it is stated that this fund created by foreign production companies could even aim at increasing television and radio coverage of the Canadian territory.

I do not think that the hon. member should like to delegate to people who are not Canadian these responsibilities which are essentially ours. I believe that these responsibilities must remain solely in the hands of Canadians who know their own territory and the coverage requirements of their own country. We are the ones who must decide what our priorities are and how we can best serve Canadians. In the place of the hon. member, I would be ashamed to leave that up to people who are not Canadian.

These amendments as well as the others proposed by hon. members constitute for all practical purposes unfair competition for Canadians companies which try to produce acceptable programs in Canada with the means provided by the market.

The hon. member for Vancouver-Kingsway (Mrs. Holt) suggested that the provisions of Bill C-58 are negative. Of course, legislation aimed at forbiding something always seems negative. But we took those steps for positive reasons, precisely to protect the Canadian industry. All countries in the world protect their cultural agencies, the creativity of their country, their cultural activity. Canadians should do otherwise? Specially when one is aware of the existence of a neighbour to the south, endowed with considerably more powerful means of developing its cultural production, its radio-television production? Extremely powerful countries do so; there is therefore that much more need for us to protect our Canadian production.

These measures are not negative; on the contrary they are positive; they are designed to help Canadian industry,

Canadian artists and artisans. It is merely sane realism on our part, and not anti-Americanism, despite what some hon. members opposite may say. We opted for this bill, not as an anti-American gesture but because we have to protect our own interests. Moreover, the very principle of the provision providing exemptions is debatable, for it creates a special tax status for the advertisers of a given area which may not necessarily be granted in others. The very principle of some of those amendments is quite agreable.

● (2120)

Moreover, the proposed amendments transfer the responsibility for the application of the legislation from the House to the CRTC or the Minister of National Revenue (Mr. Cullen). Now, in my opinion, Parliament alone has the authority to confer a special status to a foreign television station. Only Parliament can do that. Do hon. members realize that the CRTC only has the responsibility to deliver Canadian licences and to administer Canadian affairs? How could it administer what hon. members propose? This would create such a delicate situation for the CRTC that I think it would be unable to carry out its mandate with regard to the Broadcasting Act without facing many conflicts. I therefore think there is no reason whatsoever to believe that exemptions such as those proposed would be of any advantage to the Canadian broadcasting system, and that is precisely what we are talking about, advantages for the Canadian broadcasting system. Obviously, hon. members are forgetting that.

[*English*]

Mr. Brisco: On a point of order, Mr. Speaker, the minister has referred to the fact that the CRTC cannot accept responsibility for managing or being involved in any way with KVOS.

Mr. Roy (Timmins): What is your point of order?

Mr. Brisco: Don't get excited. I should like to ask the minister how she relates that statement to the fact that KVOS is now paying $75 million in taxation to the Department of National Revenue. I will now sit down and let the rabble on the other side continue.

[*Translation*]

Mrs. Sauvé: Mr. Speaker, again I say there is no ground at all to believe that deductions would help the Canadian broadcasting system. But there are many reasons to think and to believe that if American broadcasting stations bearing their signal toward our markets were given a stronger status, then our industry would be affected and get a blow with everlasting consequences. This is why it is urgent to indicate immediately to hon. members on the other side of the House that we will not second this amendment because we on this side want to protect our Canadian broadcasting and television industry at any cost.

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I suppose some members will ask why I, a member from Ontario, am concerned about this matter since the hon. member for Surrey-White Rock (Mr. Friesen) is primarily interested in a station in British Columbia, KVOS. At least the action is in the province of B.C.

[Mrs. Sauvé.]

I must say I listened to the Minister of Communications (Mrs. Sauvé) in utter amazement and misbelief. She conveniently forgot to indicate to the House what a good corporate citizen KVOS has been and will continue to be. Then she started to talk about special status, conveniently forgetting that just a couple of days ago the government brought about a particular type of special status for *Reader's Digest*. She then has the nerve to say that we on this side are talking about special status. It was the government that introduced special status as a result of its decision on *Digest*.

I want to know what is the rush here. Unless I am mistaken, Mr. Speaker, commercial deletions will not come into effect in the immediate future, until such time as an arrangement has been made between the CRTC and the FCC. What we are talking about here is the removal of some $20 million of revenue spent on advertising through U.S. stations. The Americans at the border stations are in an uproar about it, and as a result of that uproar the government has indicated that it will search for some solutions.

All the hon. member for Surrey-White Rock is trying to do in his three amendments is to ask the House to hold tight for a minute and try to arrive at a solution in order to save a good corporate citizen. This organization has been in existence, I understand from listening to the debate this evening, for some 20 years and has proven itself. It is paying taxes, it has invested in Canada, it has employees in Canada, and it has an unblemished record in regard to Canadian interests. There is a question of principle here involving Canadian nationalism versus a good corporate citizen which happens to be a subsidiary of a U.S. corporation.

I think it is time we took stock of what is going on in Canada. I had no intention of getting into this debate and I said that yesterday. I am not even prepared. But looking down the road the government is travelling in terms of Canadian nationalism, I am becoming a little scared and so are a lot of other members, mostly on the other side. It is our job to put forward constructive criticism, but when three or four Liberal backbenchers stand up and join in the debate there must surely be something wrong with the direction the government is taking.

What I see in this debate is a very dramatic attempt to save a good corporate citizen. After hearing the reasoned arguments of the hon. member for Surrey-White Rock, for the life of me I cannot understand why this matter cannot be held in abeyance. This corporation has been of some significant benefit to Canada and Canadians, yet with one stroke of the pen we are trying to destroy it. With the implementation of Bill C-58 and commercial deletions, station KVOS goes down the drain. Is this what we want to do, Mr. Speaker? Let me also put this to hon. members; I do not want to go too far.

An hon. Member: You never do.

Mr. Alexander: If my hon. friend wants to get involved in this debate, let him stand up. I am trying to do the right thing because I think a lot of Canadians are concerned. I have just returned from a trip—I will not say where—and it seems to me that this is just a small irritant or one of some insignificance. But when you start thinking, Mr. Speaker, about the number of irritants that can come about at any particular time, then I am wondering whether there can be any retaliation by our cousins or brothers or friends south of the border. I think we have to be very concerned about this situation, because I understand that a certain executive said last night that if Bill C-58 went through we can expect retaliation.

Mrs. Sauvé: What's the matter, are you scared?

Mr. Alexander: I did not interrupt the minister but perhaps she would stand up and answer this question. Can she assure this House and the Canadian people that if Bill C-58 is passed there will be no retaliation? I will sit down if she will answer that question.

Mrs. Sauvé: I will answer that question, Mr. Speaker. I am not guided by the kind of retaliation that can come from our American friends. We have policies for Canadians and we apply them as best we can. We stand on what we do, no matter what retaliation may come, and we accept that.

Mr. Alexander: Well, that is an unacceptable answer to me. I want to know why we cannot work hand in hand with our American friends.

Some hon. Members: Hear, hear!

Mr. Alexander: That is no answer to me, so do not give me that nonsense, Madam Minister. I have seen some funny things happening around here in the past couple of weeks. I do not want to digress, but first of all, there was the Cuba trip. Who did that help?

An hon. Member: Canada first.

Mr. Alexander: I am talking about irritants, and that is another one. Now, what did the hon. member for Surrey-White Rock have in mind?

Mr. Railton: Two out of three is a good average.

Mr. Alexander: Doctor, perhaps you should have stayed with medicine. No, I will take that back. It is not my intention, Mr. Speaker, to jibe at my favourite members. I know that that hon. member goes back to his riding from time to time and says what a good fellow the hon. member for Hamilton West is, and I know that that hon. member is a great Canadian.

● (2130)

Perhaps hon. members will now give me a chance to continue with my remarks. What the hon. member for Surrey-White Rock is proposing is a pause. He very ingeniously in motions Nos. 7, 8 and 9 is proposing a pause in the government's action because, as I understand it, it seems that the government thinks it can do anything—

Non-Canadian Publications

Mr. Stanfield: Mr. Speaker, I rise on a point of order. I apologize for interrupting the hon. member for Hamilton West (Mr. Alexander). We had a discussion earlier in the day, at which time it was understood that the debate would cease at 9.30 and a vote would be taken. I am sure it would be the wish of the hon. member for Hamilton West to facilitate the carrying out of that undertaking on both sides of the House. I would suggest further that, if my impression is also the impression of the minister, we should now proceed to take the votes according to that understanding we reached earlier in the day.

Mr. Faulkner: That was our understanding, Mr. Speaker.

Mr. Alexander: Mr. Speaker, I have been following my leader since 1968 and I will continue to follow him.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): The question is on motion No. 7, moved by Mr. Friesen, seconded by Mr. Alexander (Hamilton West), that Bill C-58—

Some hon. Members: Dispense.

The Acting Speaker (Mr. Turner (London East)): Shall I dispense?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner (London East)): And on motion No. 8, moved by Mr. Friesen, seconded by Mr. Alexander (Hamilton West), that Bill C-58, an act to amend the Income Tax Act—

Some hon. Members: Dispense.

The Acting Speaker (Mr. Turner (London East)): The question is on motion No. 7. Is it the pleasure of the House to adopt the said motion?

Mr. Faulkner: Mr. Speaker, I rise on a point of order—

Mr. Fairweather: Mr. Speaker, the agreement was in respect of the four deferred motions. Surely someone is in charge of the House. What is going on here?

Mr. Alexander: My speech excited everyone.

Mr. Faulkner: Mr. Speaker, I rise on a point of order. I think it was understood that the votes would be on the motions that were deferred at an earlier date; that is motions No. 1, No. 2, No. 3 and No. 12.

An hon. Member: If you can count that high it is one to four.

An hon. Member: Get the House leader.

Mr. McKinley: Mr. Speaker, I rise on a point of order—

Mr. Fairweather: Get the House leader. What kind of a shop is this?

Non-Canadian Publications

Mr. McKinley: Mr. Speaker, I think that everything that has been said up till now should be thrown out.

An hon. Member: Call in the members.

The Acting Speaker (Mr. Turner (London East)): The question is on motions Nos. 1, 12, 2 and 3 deferred from earlier dates.

Call in the members.

● (2150)

Mr. Speaker: The first question is on motion No. 1. I take it the sense of the House is that the vote on motion No. 1 will also take care of motion No. 12.

The House divided on motion No. 1 (Mr. Fairweather) and motion No. 12 (Mr. Fairweather) which were negatived on the following division:

(*Division No. 101*)

YEAS

Messrs.

Alexander
Allard
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Brisco
Cadieu
Caouette
(Villeneuve)
Clarke
(Vancouver Quadra)
Cossitt
Crouse
Darling
Dick
Diefenbaker
Dionne
(Kamouraska)
Elzinga
Epp
Fairweather
Forrestall
Fortin
Friesen
Gauthier
(Roberval)
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hnatyshyn
Holt (Mrs.)
Howie
Huntington
Hurlburt
Jarvis
Kempling
Knowles
(Norfolk-Haldimand)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Lavoie
Lawrence
MacDonald
(Egmont)
MacKay
MacLean
Macquarrie
Marshall
Masniuk
Matte
Mazankowski
McGrath
McKenzie
McKinley
McKinnon
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
O'Sullivan
Paproski
Patterson
Ritchie
Roche
Rynard
Schumacher
Scott
Stanfield
Stewart
(Marquette)
Towers
Wenman
Whiteway
Whittaker
Wise
Yewchuk—73

NAYS

Messrs.

Abbott
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Béchard
Bégin (Miss)
Blackburn
Blais
Blouin
Boulanger
Breau
Brewin
Broadbent
Bussières
Caccia
Campbell (Miss)
(South Western Nova)
Caron
Chrétien
Clermont
Collenette
Condon
Corbin
Corriveau
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupras
Duquet
Ethier
Faulkner
Fleming
Fox
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Hopkins
Isabelle
Joyal
Kaplan
Knowles
(Winnipeg
North Centre)
Lajoie
Lalonde
Landers
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
Lefebvre
Leggatt
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Marceau
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Morin (Mrs.)
Munro
(Hamilton East)
Nicholson (Miss)
Nystrom
O'Connell
Orlikow
Ouellet
Parent
Pearsall
Pelletier
Penner
Peters
Philbrook
Pinard
Poulin
Prud'homme
Railton
Reid
Richardson
Roberts
Robinson
Rodriguez
Rompkey
Rooney
Roy
(Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stollery
Symes
Tessier
Turner
(London East)
Watson
Yanakis
Young—111

Mr. Speaker: Order, please. Before tabulating the results let me say that I think the record will show that Mr. Pelletier was identified, after Mr. Kaplan, as Mr. Duclos.

I declare motions 1 and 12 lost.

Motions Nos. 1 and 12 negatived.

Mr. Speaker: The question is on motion No. 2, in the name of the hon. member for Fundy-Royal (Mr. Fairweather).

The House divided on motion No. 2 (Mr. Fairweather) which was negatived on the following division:

(*Division No. 102*)

YEAS

Messrs.

Alexander
Allard
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Brisco
Cadieu
Caouette
(Villeneuve)
Clarke
(Vancouver Quadra)
Cossitt
Crouse
Darling
Dick
Diefenbaker
Dionne
(Kamouraska)
Elzinga
Epp
Fairweather
Forrestall
Fortin
Friesen
Gauthier
(Roberval)
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hnatyshyn
Holt (Mrs.)
Howie
Huntington
Hurlburt
Jarvis
Kempling
Knowles
(Norfolk-Haldimand)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Lavoie
Lawrence
MacDonald
(Egmont)
MacKay
MacLean
Macquarrie
Marshall
Martin
Masniuk
Matte
Mazankowski
McGrath
McKenzie
McKinley
McKinnon
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
O'Sullivan
Paproski
Patterson
Ritchie
Roche
Rynard
Schumacher
Scott
Stanfield
Stewart
(Marquette)
Towers
Wenman
Whiteway
Whittaker
Wise
Yewchuk—74

NAYS

Messrs.

Abbott
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Béchard
Bégin (Miss)
Blackburn
Blais
Blouin
Boulanger
Breau
Brewin
Broadbent
Bussières
Caccia
Campbell (Miss)
(South Western Nova)
Caron
Chrétien
Clermont
Collenette
Condon

Messrs.

Corbin
Corriveau
Daudlin
De Bané
Demers
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Fox
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Knowles
(Winnipeg North Centre)
Lajoie
Lalonde
Landers
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
Lefebvre
Leggatt
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Marceau
Marchand
(Kamloops-Cariboo)
McIsaac
McRae
Morin (Mrs.)
Munro
(Hamilton East)
Nicholson (Miss)
Nystrom
O'Connell
Orlikow
Ouellet
Parent
Pearsall
Pelletier
Penner
Peters
Philbrook
Pinard
Poulin
Prud'homme
Railton
Richardson
Roberts
Robinson
Rodriguez
Rompkey
Rooney
Roy
(Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stollery
Symes
Tessier
Turner
(London East)
Watson
Yanakis
Young—111.

● (2210)

Mr. Speaker: I therefore declare motion No. 2 lost.

Motion No. 2 negatived.

Mr. Speaker: The question is now on motion No. 3 (Mr. Roy (Timmins)) as amended.

The House divided on motion No. 3 (Mr. Roy (Timmins)), as amended, which was negatived on the following division:

(Division No. 103)

YEAS

Messrs.

Alexander
Allard
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Bawden
Beatty
Beaudoin
Brisco
Cadieu
Caouette
(Villeneuve)
Clarke
(Vancouver Quadra)
Cossitt
Crouse
Darling
Dick
Diefenbaker
Dionne
(Kamouraska)
Elzinga
Epp
Fairweather
Forrestall
Fortin
Friesen
Gauthier
(Roberval)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hnatyshyn
Holt (Mrs.)
Hopkins
Howie
Huntington
Hurlburt
Jarvis
Kempling
Knowles
(Norfolk-Haldimand)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Lavoie
Lawrence
MacDonald
(Egmont)
MacKay
MacLean
Macquarrie
Marshall
Martin
Masniuk
Matte
Mazankowski
McGrath
McKenzie
McKinley
McKinnon
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
O'Sullivan
Paproski
Patterson
Ritchie
Roche
Roy
(Timmins)
Rynard
Schumacher
Scott
Stanfield
Stewart
(Marquette)
Towers
Wenman
Whiteway
Whittaker
Wise
Yewchuk—76.

Non-Canadian Publications

NAYS

Messrs.

Abbott
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Béchard
Bégin (Miss)
Blackburn
Blais
Blouin
Boulanger
Breau
Brewin
Broadbent
Bussières
Caccia
Campbell (Miss)
(South Western Nova)
Caron
Chrétien
Clermont
Collenette
Condon
Corbin
Corriveau
Daudlin
De Bané
Demers
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Duclos
Duquet
Ethier
Faulkner
Fleming
Fox
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Isabelle
Jamieson
Joyal
Kaplan
Knowles
(Winnipeg North Centre)
Lajoie
Lalonde
Landers
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
Lefebvre
Leggatt
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Marceau
Marchand
(Kamloops-Cariboo)
McIsaac
McRae
Morin (Mrs.)
Munro
(Hamilton East)
Nicholson (Miss)
Nystrom
O'Connell
Orlikow
Ouellet
Parent
Pearsall
Pelletier
Peters
Philbrook
Pinard
Poulin
Prud'homme
Railton
Richardson
Roberts
Robinson
Rodriguez
Rompkey
Rooney
Roy
(Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stollery
Symes
Tessier
Turner
(London East)
Watson
Yanakis
Young—107.

● (2220)

Mr. Speaker: I therefore declare motion No. 3, as amended, lost.

Motion No. 3, as amended, negatived.

Mr. Speaker: The question is on the amendment to motion No. 4 in the name of the hon. member for Ontario (Mr. Cafik)—

Mr. Stanfield: Mr. Speaker, on a point of order, the understanding was that we would vote only on the deferred votes that have now been taken. I think all votes that it was agreed would be taken tonight have been taken.

Mr. Speaker: Order, please. The House is aware that until such time as a decision has been taken on the amendment to motion No. 4 it will be difficult to proceed, in a procedural way, with motion No. 5. However, if there is no understanding—

Mr. Blais: Mr. Speaker, on a point of order, the understanding was that we would take all votes that had been deferred up to this afternoon when the arrangement was made. At that time the vote had not been called on the amendment of the hon. member for Vancouver-Kingsway (Mrs. Holt). Therefore, I believe the point of the Leader of

the Opposition (Mr. Stanfield) is well taken and that all votes that have been agreed on have been taken.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL DEFENCE—PROPOSAL TO LEASE LEOPARD TANKS—GOVERNMENT POSITION—ALLEGED OVER-PRICING OF TANKS BY SENIOR OFFICIALS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I rise this evening to discuss briefly a question I posed a week ago Monday, on February 2. As reported at page 10518 of *Hansard* I asked the Minister of National Defence (Mr. Richardson) about the forthcoming trials between the German Leopard II tanks and the American XM-1. I specifically asked:

—will the minister and the government now consider the opposition suggestion that Canada consider leasing Leopard I's until the winner of the U.S.-German competition is determined?

To which the Minister of National Defence replied in part:

—we are at this time considering the two main options which are to refit the Centurions or to purchase the Leopard I.

My further question to the minister was the following:

Mr. Speaker, the minister, the deputy minister and the chief of the defence staff have priced the Leopard I at anywhere between $1.4 million and $1.8 million. *The Economist* says the competition winner will be in the "just over $500,000" class.

Those are the two parts of the question to which I wish to address myself tonight.

The confusion in prices quoted for LRPA's pales when compared with the shambles surrounding the tank replacement program. On November 25, 1975, General Dextrase said a retrofit of the Centurions would cost about $400,000 per tank, while new Leopards would cost $1¼ million each. However, he went on to say:

On the basis of retrofitting 113 Centurions, the cost would be $85 million (i.e., $752,000 per tank) and $200 million to acquire 113 Leopards.

—which is $1¾ million each.

The minister added to the confusion by telling a press conference, according to the Ottawa *Citizen* of November 28, 1975, that to refit 233 Centurions would cost $80 million, that is, $343,000 each, while 180 new tanks would cost from $180 million to $200 million, or just over $1 million each. I phoned the German Embassy and they assured me that they would sell Leopard I tanks complete with spare parts for $700,380 each.

We have the minister claiming that retrofits cost less than half of the price quoted by the chief, and the German Embassy claiming they will sell us new tanks for half the price the chief says they cost. It gets even more ridiculous when we consider that for slightly less than the refit to the old Centurions at the price quoted by the Chief of the Defence Staff, the Germans would sell us brand new tanks.

I am disturbed by the answer given me by the minister on February 2 when he said:

—we are at this time considering the two main options which are to refit the Centurions or to purchase the Leopard I.

This in fact discards the other option of waiting for the competition between the American tank and the Leopard 2. This was spelled out in last night's Ottawa *Journal* in a story headlined "Detroit vs the Leopard". It refers to the two tanks, stating:

Both also carry a price tag of $507,000. General Motor's entry is a bit faster, getting 48 miles an hour from its 1,500 horsepower engine compared with 45 m.p.h. for Chrysler's.

It mentions the Leopard 2, a West German tank already in production. This is all in spite of the fact that the Chief of Defence Staff told the defence committee a couple of months ago that it would be years before the Leopard 2 would be in production.

I should like to point out one thing that was omitted from the *Journal* story of last night, and that is the rather startling new tank motor that Chrysler is putting into their version of the XM-1. In the Chrysler version the power is provided by a regenerative turbine engine using diesel fuel. This may be a great leap forward in respect of tanks in coming years. I should like to quote something about these tanks which I have obtained from the International Defence Review. It states:

In some tests, the XM-1 has traversed the cross-country course at speeds three times greater than the M-60A1 thank over the same course.

The M-60 is a tank in use at the present time by U.S. forces. The article goes on to state:

A large part of this high-speed capability is due to the 1,500 horsepower engine.

It goes on to refer to the new Chrysler version using the diesel fuel turbine engine.

● (2230)

I would also like to point out that another article mentions that these tanks are to go to the United States army for three months competitive testing in January, 1976. The winner will be selected in July or August of 1976. Starting in September the winner is to be evaluated against the German Leopard II.

There are a few things the House should know about the difference between the Leopard I and the Leopard II. the first Leopard, which is the only modern tank the minister says they are considering, left the production line on September 9, 1965, over ten years ago. The old Leopard tank, the Leopard I we are considering buying, has an 830 horsepower motor while the Leopard II has a number of new interesting features which will doubtless set the trend for future MBT's. It is powered by a 12-cylinder engine which develops 1500 hp.

The Acting Speaker (Mr. Turner (London East)): I regret to interrupt the hon. member but his time has expired.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, in the process of deciding which is the most suitable tank for use by the Canadian Forces our specialists are keeping a close watch on the development and trials taking place in the tank field in many countries, including the United Kingdom, Germany, and the United States.

To put this into perspective one has to appreciate both the short term and the long term implications, and it should be noted that the *Economist* article to which the hon. member referred in his question on February 2 made the point that the trials of the Leopard II and XM 1 in the United States will not be completed until late 1976 at the earliest and that it will then take some time to select the winner. The competition winner is then still a long way from production. The hon. member should understand that the trial of the next generation of Leopard tank and its American competitor will not produce an in-service tank until the late 1980's, more than ten years from now.

The immediate problem for the Canadian Forces is that at the end of 1976 the existing Centurion tanks will require replacement or rebuilding, and therefore the military staff is examining two options.

The first option is the replacement of the Centurion tank by the Leopard I tank now used by Germany, Belgium, Italy, Norway, and Denmark. For your information, Mr. Speaker, there have been over 4,000 Leopard I tanks produced to date which have a useable life of about 20 years. Within the spirit of the NATO Alliance, acquisition of the Leopard I would strengthen our position through the procurement of an effective, current piece of equipment with logistic and standardization advantages.

The second option is to refit, that is to modernize, the existing Centurions to give them continued life, possibly an additional ten years. However, at the moment it is considered unwise to state any conclusions at least until the present technical assessment is complete and we have analyzed all aspects of the alternatives. We expect to receive the results of this analysis and the recommendations of the military staff early in April.

Again referring to the *Economist's* article, the cost of the new tank referred to was a general design estimate for the unit cost of the vehicle in 1972. As we all know, there has been considerable inflation in both Europe and North America, and we think it would be most unwise to put a firm price on the cost of a tank which we will not see in production for probably 8 to 10 years. Certainly our indications are that the Leopard II will be considerably more expensive than the Leopard I. Finally, I should point out that the figure which the hon. member quoted for the Leopard I was a gross estimate of the program costs per tank, that is, it includes such things as spare parts, manuals, training aids, and so on, whereas the price quoted for the Leopard II was obviously basic unit cost.

I would hope, Mr. Speaker, that the hon. member might procure more reliable figures than those one might expect to find in the Ottawa *Citizen* and in the Ottawa *Journal*.

Adjournment Debate

HEALTH—LASSA FEVER—POSSIBILITY OF INTERFERENCE WITH REGULATIONS BY WORLD HEALTH ORGANIZATION—EFFECTIVENESS OF QUARANTINE MEASURES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, they say there is nothing new under the sun. This does not apply in the field of medicine. Quite recently a new disease called Lassa, a virus, was discovered and isolated in 1970 at Columbia University.

It is true, we do know that viruses mutate. We also know that in a family, three or four children can come down with chicken pox and one of them will also come down with herpes zoster. We know that these viruses jump around like this. However, I have been very interested in this new disease which was discovered in 1970. It is a virus which was labelled Lassa fever. It is endemic, so far as I know, only in west Africa, which includes Ghana, Nigeria, and Sierra Leone.

This disease was first discovered, as I have said, in 1970 when three American nurses attended a sick patient in west Africa who was thought to have a flu-like disease. He was first treated with quinine because of his malaria-like symptoms; he had fever and chills. When that did not help him, he was given an anti-typhoid inoculation. All three of the nurses died one after the other, but before the third one died she was flown home to New York, and at Columbia University they were fortunate enough to isolate the virus which caused the sickness.

Lassa fever is hard to diagnose because it comes on with flu-like symptoms, high fever and chills, and then the disease continues on its course. It has a mortality rate of 20 per cent to 25 per cent among adults, and the mortality rate among pregnant women is as high as 50 per cent. It is generally believed that the immediate host is a rodent, but it is not known whether the disease is transmitted through food or through a bite. Certainly this lack of knowledge points out the necessity for a good deal of research to be carried out to find out a little more about this disease and its causes. Its existence was not discovered until the death of the three nurses. Blood samples were taken from the third nurse who was flown to the United States, and the virus was isolated at Columbia University. This was in 1970.

I understand that the United States has gathered some immune serum from known cases of Lassa fever. It is difficult to be sure how valuable this serum is at present. However, most of the pool of immune serum is banked in Nigeria, with small amounts being kept in New York City, Sierra Leone, and Ghana. Most of the immune serum on the North American continent is kept very carefully in Georgia.

One wonders whether the native population in these west African countries have developed any resistance to this endemic disease which might not be possessed by the North American population. This is my concern. A good example of it was when the white man came to North America and brought with him tuberculosis, measles, and other disease which almost exterminated the North American Indian.

● (2240)

Lassa fever is hard to diagnose and very serious if it is contracted. I feel that the Canadian people should be

protected by keeping a strict isolation on those people coming from West Africa until the incubation period of the disease is over, and that runs for a period of from 14 days to 21 days. I feel this should also be done because we do not know how an epidemic could come to the population of North America because there are rodents here, and yet we do not have Lassa fever. As I stated before the disease is very much like 'flu. Muscles and bones ache, and there is high fever and delirium.

I hope that the people who are put on an advisory committee with respect to health precautions at the Olympic Games will be people with skill and some knowledge.

I also hope that in another five years we will have learned much more about this disease, its diagnosis and treatment. In the meantime we should not subject the Canadian people to risks which are not necessary. It was with this hope that I brought this strange new disease to the attention of the House, and hopefully by doing so that will stimulate research, further study, and observation of this very interesting disease about which we know so little.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I wish to begin by assuring the Canadian people that all precautions are being taken to protect them from this odious new disease, Lassa fever. As the hon. member indicated, it was discovered on the west coast of Africa, and it is believed to be spread by a species of field rat. While the primary source is believed to be the wild rat, there is also an indication that secondary infection can occur from direct contact with an afflicted patient. Health personnel working in a mission hospital in Africa have contracted the disease in this manner; however, spread of infection beyond these health personnel is rare, and it appears that such spread is unlikely.

Since Lassa fever was first discovered there has been no accidental transmittal beyond the borders of the west African countries other than a small outbreak which occurred in laboratory personnel who were involved in culturing and handling the live virus in the United States. One European, who contracted the disease in Africa, was evacuated by air to Europe from Africa, and no secondary infection of health personnel occurred in Europe.

With respect to the Olympic Games in Montreal in 1976, as the minister has already stated in response to earlier questions put by the hon. member, the government intends to seek amendments to the Quarantine Act to allow the Minister of National Health and Welfare (Mr. Lalonde) to detain any person arriving in Canada from abroad who is suspected of carrying an infectious disease in either the incubatory or active state. These amendments will also safeguard the civil liberties of any person suspected of having a disease such as Lassa fever by requiring the minister to make an application to a judge of the superior court of the particular province within 48 hours, if the disease has not yet diagnosed, to request further detention.

A committee has been established with the provincial government of Quebec and the city of Montreal to review requirements for special precautions to arrest and prevent the spread of infectious disease should any prospect of danger arise.

[Mr. Rynard.]

I am pleased to inform the House that the federal government is also in close contact with the United States and United Kingdom authorities who have first hand knowledge of Lassa fever. Moreover, the Department of National Health and Welfare is in continuous contact with the World Health Organization, which monitors and reports outbreaks of infectious diseases on a global basis. Contrary to the fears of the hon. member, no interference from this world body is anticipated. Rather, a close, co-operative and harmonious relationship exists with the World Health Organization.

As I indicated previously, a committee is presently investigating the feasibility of developing a new isolation facility in which patients suffering from extremely infectious and dangerous diseases, such as Lassa fever, can be treated. The results of the deliberations of this committee should be available within the next few months.

May I conclude as I began by reassuring the Canadian people that all due precautions are being taken, and consideration of the problem is well in hand.

THE CANADIAN ECONOMY—ANTI-INFLATION PROGRAM—POSSIBILITY THAT INSURANCE CORPORATION WILL BE ADDENDUM TO AGREEMENT WITH BRITISH COLUMBIA

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I intervene this evening because the reply of the Minister of Finance (Mr. Macdonald) to my question of February 5 was unsatisfactory. Usually the replies to that minister in the House are succinct and useful, but I am afraid his answer left a good deal to be desired.

My question was prompted by a meeting involving the federal Minister of Finance and provincial ministers of finance. After the meeting the federal minister issued a press release saying that certain minor difficulties needed to be worked out. A great many people in British Columbia hoped that the difficulty could be ironed out and that rates charged by the Insurance Corporation of British Columbia could be brought within the government's anti-inflation guidelines.

I did not ask the Minister of Finance whether the subject was negotiated or discussed; I asked the minister to go on record and say, on behalf of the government, that the rates charged by ICBC, a Crown corporation, ought to be brought under the federal guidelines and that the government would thereby offer relief to British Columbians who are being charged absolutely incredible insurance rate increases for the cars they drive.

The minister did not reply to that specific part of the question asking for an indication of the government's position, an indication vitally necessary if the government is to give some leadership in controlling inflation and the rates charged by ICBC. It is time the federal government and the provinces stopped playing their perpetual game of ping pong, stopped saying, "Shall we put it under the guidelines or not?"

I hope the parliamentary secretary can make some positive statement this evening on the government's decision to include ICBC in the addendum to the agreement made with British Columbia and make the Crown corporation a controlled Crown corporation. There is ample precedent for this. For example, the *Globe and Mail* of February 3

mentions inflation rules governing 17 Crown corporations. Most of those corporations provide services, as ICBC does. There is ample precedent in the Province of Ontario. We hear, for example, that Ontario hydro rates now are under AIB guidelines.

It seems passing strange that two things have not happened. First, Mr. Pepin, of the Anti-Inflation Board, has not said anything publicly about ICBC rates. He was quick to interfere with teacher negotiations in Ontario, but strangely slow about speaking of the insurance rates in British Columbia. He was strangely silent, even though a consulting actuary to the Crown corporation said that ICBC rates in British Columbia are unnecessarily high. He said that the corporation is adopting the most pessimistic view on the basis of past experience, and charging unnecessarily high rates. Surely the AIB ought to control the rates charged by the corporation in British Columbia, rates which are unnecessarily high.

Consider the human implications of the high rates. For example, a driver under 25 years old of a 1974 Ford Fairland will pay, even though he has not been involved in any accidents, between $315 and $1,102. Such a young driver will, typically, very likely be employed in one of our local industries, say a mill. His wages have been frozen but he is asked to pay one-tenth of his salary for car insurance. When he turns to his shop steward and asks what is to happen to his wages the answer will be, "I'm sorry, the federal government froze your wages." So far the government has done nothing to bring ICBC rates within anti-inflation guidelines. Is it any wonder little consensus has developed on the federal government's program? The sooner the government recognizes that there are poor people in this country who are not prepared to fight inflation alone but want the rest of the community to participate in that fight, the sooner it will have some chance of seeing that program obtain some success.

● (2250)

I will resume my seat in the hope that some positive statement may come forward from the government that in fact it does favour ICBC rates being placed under the anti-inflation program so that they can make a judgment that they represent not merely the federal presence, but individuals in the province of British Columbia, many of whom placed their faith in the government in the last election. I hope that faith was not misplaced in terms of its attitude toward inflation.

I would welcome from the parliamentary secretary a positive statement that now we can see that ICBC rates will come under the anti-inflation guidelines, regardless of the position taken by the province of British Columbia.

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in reply to the issue of whether or not the Insurance Corporation of British Columbia, know as ICBC, will be specifically covered by a Canada-B.C. agreement on the anti-inflation program, I would note that we have made it clear to the provinces that we would, of course, be quite prepared to discuss the inclusion of provincial agencies under such an agreement. The procedure that has been followed with provinces that have signed an agreement has been to annex to any memorandum of agreement a specific schedule listing such government bodies that are to be covered. The final decision on which bodies will be covered by the agreement remains with the provinces.

Where pricing for government services is concerned, the federal government and provinces have agreed, as a matter of broad principle, to follow the guidelines in the pricing of particular goods and services to the extent possible except where otherwise required to meet fiscal policy and program management needs and objectives. It remains the responsibility of the government of British Columbia to determine where these considerations might call for a departure from the strict application of the guidelines in certain circumstances.

With respect to the specific concern on the Insurance Corporation of British Columbia's proposed rate increase, we are given to understand that ICBC incurred a substantial deficit in the fiscal year 1974-75 and it is estimated that it will continue to do so in the fiscal year 1975-76. The proposed rate increase reported in the press has apparently been based on the reports of independent actuaries who have examined ICBC accounts and is designed, I understand, to put ICBC on a break-even basis for this year's operations. Hon. members are aware that the application of the guidelines to the private sector does not require a company to operate at a loss, and the Anti-Inflation Board will permit increases in prices from a loss position to enable a company to reach a break-even point.

Finally, I would also wish to note that, until the government of British Columbia signs an agreement with the federal government, none of the provincial public sector in that province would be covered under the anti-inflation program.

Motion agreed to and the House adjourned at 10.55 p.m.

HOUSE OF COMMONS

Wednesday, February 11, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

RADIOACTIVE CONTAMINATION OF SITES IN OTTAWA AREA—REQUEST FOR INQUIRY IN DISPOSAL OF RADIOACTIVE MATERIAL—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of reports by William Bush, a scientific advisor to the Atomic Energy Control Board, that waste material from one extraction process has contaminated several sites in the Ottawa area, I move, seconded by the hon. member for Peace River:

That this House direct the Minister of Energy, Mines and Resources to launch an immediate investigation into the alleged contamination of a number of sites in the Ottawa area by radioactive waste material, and report these finding to the House along with those remedial measures he intends to take to protect the health and safety of Ottawa area citizens.

And further:

That this House direct the government to initiate a public inquiry into the methods by which radioactive material is handled by industry, and monitored by the Atomic Energy Control Board to assure the safety of citizens, not only in the Ottawa and Port Hope areas, but across Canada.

Mr. Speaker: Under Standing Order 43, unanimous consent is required. Is there unanimous consent?

Some hon. Members: No.

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VETERANS AFFAIRS

REFERENCE TO STATEMENT ON PENSIONS FOR PRISONERS OF WAR PROMISED BY MINISTER—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, I seek the unanimous consent of the House to move, seconded by the hon. member for Humber-St. George's-St. Barbe:

● (1410)

That this House reminds the Minister of Veterans Affairs that tomorrow is Thursday, the day he has promised to make a statement regarding legislation respecting Canadian veterans who were prisoners of war, and that we await with hope the statement we trust he will be making.

Mr. Speaker: Order, please. I am sure all hon. members are agreed that a matter which has been under constant discussion and which anticipates a statement by a minister is scarcely a matter of urgent and pressing importance, but I am sure that both hon. members will understand their point is being pressed again in another way.

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[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR INQUIRY INTO INVESTIGATION OF POLITICAL CONTRIBUTIONS—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important issue.

Considering that every citizen is entitled to be considered and treated fairly and with deference, considering the aggressive and arbitrary manner of the RCMP officers making inquiries about several citizens who have contributed in good faith to the financing of political parties, as set forth in Canada Elections Act and considering that those same officers have extracted statements with threats, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the government undertake a legal investigation on the manner in which the RCMP conducted the said inquiries.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

TRANSPORT

REQUEST FOR ASSISTANCE WITH FREIGHT COSTS ON FEED GRAINS—MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Mr. Speaker, I also rise under Standing Order 43 on a matter of urgent and pressing necessity, that matter being the federal government's feed grain policy in so far as it relates to the total lack of action in the area of feed freight assistance. The federal government promised over two years ago to take the necessary steps to remove or modify the feed freight assistance program, at least as far as the Montreal area is concerned, but there has never been any effort made to do so. Therefore I

move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the federal government move immediately to settle the question of feed freight assistance and to ensure equity between feed freight rates on grain and animals.

A balance in feed freight rates between grain and meat would ensure the development of agriculture according to natural advantages.

Mr. Speaker: Order, please. The provisions of Standing Order 43 require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN NATIONAL RAILWAYS

REQUEST FOR INVESTIGATION OF FREIGHT OPERATIONS IN NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under Standing Order 43. Widespread concern by Newfoundland railway employees makes suspect the CNR's intentions with regard to the future of rail freight in the province. Evidence indicates a downgrading of rail movements in favour of road transport, which taxes the present low-standard trans-Canada highway and is contrary to government thrusts in conservation and economic considerations. In order to remove the danger of a repeat of the elimination of rail passenger service in the province, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House orders that the Canadian Transport Commission investigate the CNR freight operation in Newfoundland with a view to determining the future intentions of CNR as it concerns rail freight operations.

Mr. Speaker: Order, please. The provisions of Standing Order 43 require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—EFFECT ON COLLECTIVE BARGAINING—SUGGESTED STATEMENT BY BOARD OF WAGE INCREASE PERMITTED RAILWAY EMPLOYEES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I direct my question to the Acting Prime Minister. It arises out of the pretence of himself and many of his colleagues that the government's controls policy does not restrict the scope of collective bargaining. What position will he take now that the Prime Minister has admitted on national television that that program does substantially restrict the scope of collective bargaining; and in particular, will the government now have the courage to do its duty and arrange, after proper hearings, for the Anti-Inflation Board to indicate to the parties to the railway dispute exactly what is the maximum settlement that is acceptable to the board and the government?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have not seen the statement referred to by the Leader of the Opposition. It is true, of course, that the Anti-Inflation Board can affect agreements that have been entered into voluntarily. That has always been the case and, so far as I know, there is no intention of changing the procedures or the scope or the methods of the Anti-Inflation Board at the present time.

Mr. Stanfield: Mr. Speaker, I wonder when my hon. friend, whom I try hard to respect from day to day—

Some hon. Members: Oh, oh!

Mr. Stanfield: —will stop pretending that a program designed to, amoung other things, restrict the scope of wage settlements does not restrict collective bargaining? In view of this, and in view of the important and possibly disastrous effect a railway strike could have, why does the government insist on following this farce through to the end rather than exercising the very substantial powers and responsibilities it recently sought and received from parliament?

Mr. Sharp: Mr. Speaker, I shall miss the hon. gentleman when he is no longer in the position he is at the present time. I should like to thank him for the co-operation and respect he has shown me, at least in the past. On the particular question he has raised, we have debated this on many occasions. The position of the government is that collective bargaining should proceed and then the Anti-Inflation Board should make a judgment on the outcome.

Mr. Stanfield: Mr. Speaker, may I ask the fair-minded Acting Prime Minister whether he will not agree that the present position being taken by the government in respect of wage settlements, and the pretense that free collective bargaining is being preserved and the government will not restrict this, is just as hypocritical as the attitude it previously took toward wage and price controls in general?

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, since I want to be perfectly frank and honest with my hon. friend, the answer is no.

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LABOUR CONDITIONS

THREATENED STRIKE OF RAILWAY EMPLOYEES—SUGGESTION ANTI-INFLATION BOARD SET OUT PARAMETERS OF NEGOTIATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is to the Acting Minister of Labour. Since the public demands of the railway union which resulted in a

breakdown, or followed with a breakdown in negotiations, seem to far exceed the guidelines imposed by the Anti-Inflation Board, and in view of the fact there is in essence no free collective bargaining because the Anti-Inflation Board is the final arbiter, is it the intention of the government through an industrial commissioner or a conciliation board to inform the union of the parameters within which they have to negotiate under the contraints laid down by the Anti-Inflation Board?

Hon. Bryce Mackasey (Acting Minister of Labour): Mr. Speaker, the hon. gentleman has suggested exactly what I suggested two days ago. When and if an industrial commissioner or a conciliation board is set up, the chairman or the individual might want to inform or discuss with the Anti-Inflation Board the parameters of the wage settlement. We are talking about free collective bargaining, and certainly in the case of the railways we are talking of hundreds of clauses that are non-monetary, and in many cases more important than the monetary matters which must be settled outside the Anti-Inflation Board. Certainly the Anti-Inflation Board imposes a restraint but does not eliminate collective bargaining, because in theory some fair settlements could be substantially lower than the parameters set by or acceptable to the Anti-Inflation Board.

THREATENED STRIKE OF RAILWAY EMPLOYEES—POSSIBLE DETERMINATION BY LABOUR RELATIONS COUNCIL OF ESSENTIALITY OF RAIL SERVICE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I cannot help but admire the minister's optimism, but since we seem to be heading for a national rail stoppage because of the government's head-in-the-sand attitude toward the situation, and because of the essentiality of rail services to the economy of this country, may I ask the Acting Minister of Labour whether the Canada Labour Relations Council, which is empowered to study specific proposals, has been asked to make a determination as to whether rail services are essential to the national economy, and if such designation or such finding by the Canada Labour Relations Council, which I understand is meeting today, will be made public?

Hon. Bryce Mackasey (Acting Minister of Labour): Mr. Speaker, I do not think we need the council's advice in order to reiterate that rail services are essential to this country. The question is, how essential are they and when does any particular labour dispute become so dangerous to the economy there must be an intervention. The point is, the hon. gentleman is talking about a strike as if it were inevitable when in fact the normal process of the law has not even begun. There has yet to be the conciliation stage or the commissioner stage, or mediation. What the hon. gentleman is doing is reflecting the usual cynicism he reflects everytime collective bargaining is discussed and anticipating the results of collective bargaining which has yet to begin.

● (1420)

EXTERNAL AFFAIRS

GUATEMALA—REQUEST OF MONTREAL GROUP FOR FIELD HOSPITAL TO AID EARTHQUAKE VICTIMS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Acting Prime Minister. On Monday in the House both the Secretary of State for External Affairs and the Minister of National Defence indicated the government was doing all it could to help the unfortunate people in Guatemala at the time. I should like to ask the Acting Prime Minister a question concerning a request made of the government for a civil defence field hospital providing some 200 beds. Could the Acting Prime Minister confirm that such a request was made sometime ago to the government by Dr. Cohn of Montreal supported by OXFAM Canada, and could he confirm also that the government has not yet accepted that request; if not, would he explain to the House the reason?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government did receive such a request. It has been re-examined in conjunction with the particular agencies which have responsibility in this area and my colleague the Secretary of State for External Affairs will give a full reply.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, it is not true that medical supplies have been held up by the government because of red tape as has been suggested in the newspapers. The need at the moment in Guatemala is for cash, food, milk powder and orthopedic equipment. Yesterday the Guatemalan consulate in Montreal issued a statement on clear instruction from the Guatemalan national emergency co-ordinating committee that no further medical assistance could be handled at the present time. A subsequent request was made to the Canadian government to hold any further preparations for sending medical teams either official or voluntary until authorization has been received from Guatemala. The plain fact is we are ready to assist in any way possible as we have been doing but at the moment the advice from the Guatemalan authorities and from the League of Red Cross Societies is that it would be counter-productive at the present time to send in further medical teams.

Mr. Broadbent: Mr. Speaker, that part of the answer I say seriously is reassuring, but concerning the specific request for this field hospital of some 200 units, which I understand has support from OXFAM Guatemala and from Guatemala at the appropriate time, I should like to ask the minister if the government is prepared to accede to the request in principle that this unit will be provided when they are able in fact to incorporate it in their plans in Guatemala.

Mr. MacEachen: Mr. Speaker, I believe I can give the assurance to the House that if the Guatemalan authorities and the League of Red Cross Societies indicate that additional medical teams or hospital equipment are required or could be utilized at the moment we would bend every effort to make that available. I can give the hon. member that assurance, but we have discussed the generous volun-

teer proposal made by Dr. Cohn with the Guatemalan authorities and at the present time the advice is it would not be appropriate to add to what seems to be already developing adequate medical assistance when considered in relation to the ability of the Guatemalan government to provide the necessary logistical support.

GUATEMALA—AVAILABILITY OF FIELD HOSPITAL UNIT TO AID EARTHQUAKE VICTIMS

Mr. Edward Broadbent (Oshawa-Whitby): I have a final supplementary question for the minister and I direct it to him in the absence of the Minister of National Defence. Given the commitment made by the government in its white paper entitled "Defence in the '70s" to have at the ready a mobile field facility for such disasters, I should like to ask the minister if we have now in Canada such a facility which could be transported almost at a moment's notice if so requested.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, without replying directly to what was in the defence white paper, I should tell the hon. member that at the present time a Canada forces Hercules is carrying 18 tons of milk powder to Guatemala, a Canadian forces Boeing 707 will carry additional milk powder arriving today, and another 18 tons will be sent by a Canadian forces Hercules aircraft as well. These three flights have been provided for—

Mr. Broadbent: What about my question?

Mr. MacEachen: —by the armed forces.

Mr. Speaker: Order, please. With all due respect, it seems to me that the minister is answering a question that was not asked.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

INDUSTRY

DATE OF ANNOUNCEMENT OF POLICY ON FOOTWEAR

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to put a question to the Minister of Industry, Trade and Commerce.

On a number of occasions I have drawn the attention of the House to the serious problems which increasingly affect the Canadian footwear industry. Since the situation has been getting worse, the Shoe Manufacturers' Association of Canada has been in touch with the minister to ask for a meeting at the earliest possible moment. Could the minister inform the House whether he is aware of this request and, at the same time, clarify the issue by indicating where the case is now resting?

[*English*]

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, I am aware of a request for a meeting and I have indicated that I am quite prepared to meet with them. I do not have an actual date set as yet but it will be in the very near future.

[*Translation*]

SUGGESTED LIMITATION ON FOOTWEAR IMPORTS

Mr. Léonel Beaudoin (Richmond): I have a supplementary question.

Since one of the major problems facing the footwear industry in Canada seems to be that imports are allowed to invade our market more and more, while our production declined by 18 per cent in 1975, can the minister inform the House whether he intends to take the necessary steps to restrict these imports in order to support this important Canadian industry?

[*English*]

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, it is essentially a question of determining in the first instance whether in fact an added degree of tariff protection would provide the desired result. Of course, that has to be considered also in the context of our general international trading patterns and a whole series of related questions. There is a view being expressed that tariffs alone may not be the solution. In fact we have moved within the past few months to bring the footwear industry, or certain portions of it, within a general policy of rationalization which the government undertook some time ago. But these matters are all ones which I hope to clarify when I meet with the shoe manufacturers. If it is purely and simply a tariff matter, then of course we can look at it from that point of view. But I repeat, there are those who feel that the problem goes significantly deeper than that.

* * *

ENERGY

LOCATION OF SITES IN OTTAWA AREA CONTAMINATED BY RADIOACTIVE WASTE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources arising out of reports today that there are several sites in the Ottawa area contaminated by radioactive waste material. In light of the gravity of the reports, I am sure the minister has acquainted himself with them and has sought some answers. I wonder if the minister might advise what are the exact parameters of the areas contaminated by radioactive material in the Ottawa area and their proximity to the polluted areas.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I can confirm that there are a number of assorted sites in the Ottawa area where radioactive levels have been identified. I can assure the House, based on the information that I have received, that there is no public health question involved. As to the precise location of these areas, I hope to be able to make those public when I provide the list which I have already indicated to the House I will do with respect to locations in Ontario and other locations in Canada as well.

● (1430)

SUGGESTED INQUIRY INTO METHODS OF DISPOSING OF RADIOACTIVE WASTE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, when the minister is making that report, would he advise the House how long he and his ministry or the Atomic Energy Control Board or any other agency has been aware of the situation in Ottawa and what remedial action was taken prior to these reports? Would the minister undertake to launch a public inquiry into the way in which radioactive material is handled by industry and monitored by the Atomic Energy Control Board so that the safety of all Canadians, not just those in the Ottawa area, can be assured? I advise the minister that there are other areas in Canada where some of these sites might be located.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I already indicated in answer to questions in the past week or so that I have yet to be presented with evidence which would suggest the need for an over-all inquiry. I do not rule an inquiry out, but I have not yet been presented with that evidence. As to the question of the clean up, plans have already been made for remedial action, the removal of the wastes at the sites in the Ottawa area, and that should be completed by early spring.

NATURAL GAS—GOVERNMENT MEASURES TO PREVENT SHORTAGE IN EARLY 1980'S

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The National Energy Board last year forecast imminent domestic gas shortages, the solution to which appears to be the construction of the Canadian Arctic gas pipeline, which requires Prudhoe Bay reserves, In view of Governor Hammond's statement before the federal power commission in Washington yesterday regarding Alaska's endorsement of the E1 Paso proposal, has the Department of Energy, Mines and Resources alternative means of preventing a gas shortfall in the early 1980's?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member will understand, the National Energy Board is completely seized with this question at the present time. It is presently conducting hearings. At the moment they are recessed for reasons of which I am sure the hon. member is aware, but they will be restarted very shortly to consider two applications in Canada.

As the hon. member is probably also aware, the regulatory proceedings in the United States are going forward, and there are two applications there. One is the El Paso route, and the other the Gas Arctic. There are bills in the United States house, and a recent one was introduced by Senator Mondale with respect to the Gas Arctic, so I think the regulatory process is continuing in both countries.

NATURAL GAS—GOVERNMENT INTENTIONS WITH REGARD TO SUPPLYING DOMESTIC MARKET

Mr. Bob Brisco (Kootenay West): In view of that response, I ask if there are any studies under way at the present time to determine alternate gas supplies if the United States opts for the El Paso route, or is it the intention of this government to provide the Mackenzie Valley pipeline access on the basis of only about a 12 per cent provision for the Canadian market?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I have already indicated to the hon. member that the National Energy Board is seized with this question. It is considering the questions of needs, time frame and the competing claims by two applicants.

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URBAN AFFAIRS

COST OF LAND—GOVERNMENT ACTION TO PREVENT INCREASE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for either the Minister of Finance or the Minister of State for Urban Affairs. They can decide between themselves who will answer.

In light of the constantly escalating cost of housing in this country, placing even modest accommodation outside the reach of most Canadians, and in view of the fact that the cost of land is a very substantial element—a recent survey indicates that the cost of land has escalated at an enormous rate—does the government intend to place any restrictions on the increase in the cost of land?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, is the hon. member asking about restrictions within the context of the anti-inflation program?

Mr. Baldwin: In any context.

Mr. Macdonald (Rosedale): In the context of the anti-inflation program, this question has been discussed with the representatives of the provincial governments. The question has been postponed until some of the other more immediate questions facing both the Anti-Inflation Board and the provincial governments could be dealt with, but very definitely the price of land has been an important factor in the increase in the cost of housing in Canada in recent years, and it is a matter of concern both to the provincial and federal governments.

EFFECT OF INCREASED COST OF LAND ON HOUSE CONSTRUCTION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in view of the rather bland answer of the Minister of Finance, I will turn to the Minister of State for Urban Affairs and ask him if it is the view of the government that any restrictions on the increase in the cost of land might be counter productive to the making available of adequate land for the construction of houses.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, in response to a rather bland question, I should like to say that I am sure the hon. member appreciates the jurisdictional differences here. This has been a matter of discussion with provincial housing ministers, and it is a matter of great concern to the federal

government. We have assumed our responsibility in many ways by assisting municipalities to service land by granting rather extensive loans, many of which are not repayable, to try to bring more land on stream. However, on the whole question of reducing the cost, one aspect comes within the parameters of the anti-inflation program, and the other one is under provincial jurisdiction, which we are discussing with great regularity with the provinces.

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HEALTH

REQUEST FOR ASSURANCE NO REDUCTION IN ASSISTANCE TO MENTALLY AND PHYSICALLY HANDICAPPED CHILDREN

Mr. Mike Landers (Saint John-Lancaster): Mr. Speaker, my question is for the Minister of National Health and Welfare. Can the minister assure me that the government's efforts to fight inflation will not include cutbacks in projects to assist mentally and physically handicapped children under the age of six? That is to say, will developmental day care projects be continued?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I want to state unreservedly that the government does not intend at all to reduce its contribution under the Canada Assistance Plan. These contributions will continue in the future as in the past and they will even be larger since I am discussing with the provinces the possibility of extending coverage under the Canada Assistance Plan to the disabled mentioned by the hon. member.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF FRENCH MINISTER OF LABOUR

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would like to point out the presence in your gallery of the French Minister of Labour, Mr. Michel Durafour, who is officially in Canada for a few days.

* * *

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—STATISTICAL TREATMENT OF SEASONAL WORKERS—POSSIBLE REVISION OF DESIRABLE LEVEL OF UNEMPLOYMENT

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct my question to the Minister of Finance, who seems to be doubling as a spokesman on the new figures from Statistics Canada regarding unemployment. Now that the new method has placed seasonal workers in a statistical limbo, can the minister explain how seasonal workers will be treated in the unemployment figures?

[Mr. Danson.]

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, if a worker, though he has been working on a seasonal basis, is actually engaged in seeking additional work or is in the work force, of course he will be within either the employment or unemployment figure.

Mr. Saltsman: Since this change of taking seasonal workers out of the calculations for unemployment figures has taken place in Statistics Canada, is the government now prepared to revise its target, which was originally 3 per cent unemployment, but which included at least 1¼ percentage points as unemployment for seasonal workers? Is the government now prepared to revise its figures for desirable levels of unemployment down to 1¾ per cent or 2 per cent?

Mr. Macdonald (Rosedale): I am certainly prepared to consider that.

* * *

GOVERNMENT ADMINISTRATION

POSSIBILITY OF MANIPULATING UNEMPLOYMENT INSURANCE AND LIP GRANTS IN VIEW OF NEW LABOUR FORCE STATISTICS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a supplementary question to the Minister of Manpower and Immigration, but he does not seem to be here, so I will direct it to the minister responsible. Statistics Canada recently submitted statistics with regard to the new labour force survey, and its background paper indicated that data users can and, in fact, are encouraged to formulate definitions of unemployment which are best suited to their particular applications, which to me smells of hanky panky and manipulation, and can call for manipulation with respect to the Unemployment Insurance Commission and LIP. I should like to ask the minister responsible at this time what effect this new labour survey will have on contributions by the government with respect to unemployment insurance, the extension of the benefit period and, of course, what effect it will have on LIP grants?

● (1440)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in the absence of the Minister of Manpower and Immigration who unfortunately cannot be in the House today as a consequence of illness, I shall make a note of the hon. member's question. However, I must say that I do not agree at all with the charge against Statistics Canada. I think such a charge is unworthy of him.

[*English*]

Mr. Alexander: There is no attack on Statistics Canada. I am just reading from this report and I will just read it again so that the minister will understand it:

> . . . the data users can, and in fact are encouraged to, formulate definitions of unemployment which are best suited to their particular applications.

Some hon. Members: Order, order!

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF ALTERATION IN GRANT AWARDING CRITERIA AS RESULT OF NEW DEFINITION OF UNEMPLOYMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my supplementary question is for the Minister of Regional Economic Expansion. As the new labour force survey produces lower unemployment rates in certain areas because of the new definition of unemployment, can the minister inform the House whether his department will find it necessary to adjust the grant awarding criteria of unemployment levels to compensate for the structural alteration in the survey or whether DREE grants will be altered in any way?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I can say to the hon. member that the Department of Regional Economic Expansion is of course concerned with this problem, and we are making our own findings and our own studies about it. DREE grants to businesses in various areas are awarded according to the importance of the jobs created and the products involved. It is clear, with respect to unemployment levels in the Atlantic area as well as in some areas in Quebec, that the department I run is watching very closely the development of the situation and that we will do everything possible within our jurisdiction to improve the situation as we have succeeded in doing so up to now and that we will of course continue to accomplish this task.

* * *

[*English*]

SUPPLY AND SERVICES

REASON PORT OF HALIFAX NOT PERMITTED TO TENDER ON NATIONAL DEFENCE CONTAINER TRAFFIC FROM EUROPE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct a question to the Acting Prime Minister in the absence of the Minister of Supply and Services and the Minister of National Defence. Would he use his good offices to find out why instructions continue to be issued by the Department of Supply and Services directing the Department of National Defence not to permit the Port of Halifax to tender on the movement of container traffic, Department of National Defence traffic, from points in Europe to points in Canada?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not necessarily accept the premise of the question but I will look into the situation.

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HEALTH

ALTERNATIVES FOR TREATMENT IN VIEW OF CLOSING OF HOSPITALS—POSSIBILITY DOCTORS ALLOWED MILEAGE CHARGE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address the question to the Minister of National Health and Welfare. In view of the proposed closing of several hospitals across Canada which are cost-sharing by both levels of government over the years and which will leave several thousand people unemployed, may I ask the minister, as a result of the discussions held recently, what alternatives are to be offered for the cheaper treatment of thousands of cases still requiring medical care that have nowhere to go?

An hon. Member: Ask Frank Miller.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows well, it is a hospital insurance program whose cost is shared 50 per cent by the federal government. However, the decisions concerning that program are made by the provincial governments.

As regards the specific question of the hon. member, I would say that negotiations with the provinces were begun last year with a view to permitting the federal government to share the cost of certain services that are less costly than hospital care. The provinces suspended those negotiations for a certain time, but I am glad to tell the House that the provinces now seem ready to resume these discussions. A meeting of officials is scheduled for the month of March and will be followed, I hope, by a federal-provincial conference of the health ministers at the beginning of April.

[*English*]

Mr. Rynard: May I ask the minister if any proposals were made to allow mileage charges as an incentive to have doctors treat patients in their homes, particularly in rural areas?

[*Translation*]

Mr. Lalonde: Mr. Speaker, nothing in the Medical Care Act or the Hospital Insurance Act prohibits such a practice. But again, this is a decision strictly incumbent to the provincial authorities, and none of them raised that matter with me last year.

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[*English*]

EXTERNAL AFFAIRS

GUATEMALA—SUGGESTED OFFER OF HELICOPTERS TO OVERCOME COMMUNICATIONS PROBLEMS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Secretary of State for External Affairs. Since it seems that internal communications is one of the serious problems facing those anxious to distribute emergency aid in Guatemala, and since helicopters would appear to be the best way of overcoming this problem, may I ask the minister whether an offer of helicopters has been made to the Guatemalan authorities or fuel for helicopters and if so, with what result?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have a six man Canadian team in Guatemala working with the Guatemalan authorities and attempting to assess need and evaluate aid. To my knowledge, no request has come forward for heli-

copters but I will investigate the suggestion made by the hon. member as quickly as possible.

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FISHERIES

REQUEST FOR STATEMENT BY MINISTER ON FREEZE OF LICENCES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, my question is for the Minister of State for Fisheries. May I ask if, as a result of his meeting with some provincial fisheries ministers last week, the minister will be making a statement to relieve the anxiety of certain fishermen in their preparation for the forthcoming seasons with regard to the freeze on the transfer of licences and the general situation, especially with regard to fishermen who wish to withdraw from the fishing industry and transfer their gear and so on somewhere else?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, the ministers of Nova Scotia and Prince Edward Island supported the general thrust of the program, although they recognized the difficulties involved. As for the matter of the freeze on licences, when I made the announcement I indicated this would be a temporary freeze. Fisheries officials are receiving applications for transfer, they are putting dates on them and keeping them on a file of pending decisions which could be made in a couple of weeks or more. Meanwhile, the appeal boards are setting up their operations and I hope to meet with maritime members of parliament—my staff tell me it might be tomorrow—but I hope to meet with them soon.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER QUEBEC CONSULTED ON PROBLEMS OF LOWER ST. LAWRENCE

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

As the special agreement concerning the development of the Lower St. Lawrence, Gaspé and Magdalen Islands area will soon come to amend, more specifically on March 31, 1976, and as the problems have obviously not yet been solved, would the minister tell the House and particularly the people of that area, who are most anxious to find out what fate awaits them, whether the authorities concerned of the province of Quebec have been in touch with his department, by way of the related agreements to the general development agreement with regard to the completion of the work undertaken under that soon to end agreement, and, if not, would the minister welcome such a request and would he give it his vigorous support in cabinet?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, indeed the officials of the provincial department and those of the Department of Regional Economic Expansion have met several times and explored jointly the possibility of either extending the agreement, or signing a related agreement within the general development agreement.

We trust that our hopes to that effect can materialize in the near future, and that we will be in a position to announce what a special agreement could contain with a view to continuing and completing, if possible, the development of that part in the province of Quebec.

* * *

[*English*]

THE CANADIAN CONSTITUTION

POSSIBILITY OF PATRIATION BY UNILATERAL ACTION OF CANADA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in the absence of the Prime Minister and the Minister of Justice on a political safari in British Columbia, I shall direct my question to the Acting Prime Minister. Before the Prime Minister left he stated that consideration was being given to unilateral action to the patriation—and I say patriation rather than repatriation because we have never had the constitution—of the constitution. I would ask him the simple question, as this is a most unusual suggestion and it has been regarded as an unconstitutional course ever since confederation, has the government had the Clerk of the Privy Council or anyone on behalf of the Privy Council ask the law officers of the Crown whether there could be patriation of the constitution by action other than through a statute in the Parliament of Westminster?

● (1450)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am not sure whether any such advice has been sought. I will make inquiries.

* * *

COMBINES

BRYCE COMMISSION—POSSIBLE REMOVAL FROM COMMISSION OF PIERRE NADEAU BECAUSE OF CONFLICT OF INTEREST

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Acting Prime Minister. In December, a couple of months ago, a member of the Conservative party asked the Prime Minister whether he had decided on a conflict of interest or possible conflict of interest and possible removal from the Bryce Commission of Pierre Nadeau because of the fact that he is director of the Royal Bank which has had some intimate ties with Power Corporation. The Prime Minister said he would refer the matter to the chairman of the commission. Has a decision been made and, if so, what has been the recommendation of the chairman?

Hon. Mitchell Sharp (Acting Prime Minister): As far as I know, Mr. Speaker, the chairman has made no recommendation. I will see whether he intends to make one.

Mr. Nystrom: While checking into that, because it has been over two months since the question was asked by the

hon. member for Prince Edward-Hastings, and in view of the legitimate widespread concern that the commission and staff take a clear corporate line, will the Acting Prime Minister undertake to broaden the commission to bring in people who have a background other than just with corporations?

Mr. Sharp: On a matter of this kind, Mr. Speaker, it is important that the people making the inquiries should be very familiar with the problems. The government has no intention of enlarging or dropping any member from the commission.

* * *

EXTERNAL AFFAIRS

INDONESIA—REQUEST FOR ASSURANCE THAT LOAN FUNDS REACH THE PEOPLE IN NEED

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Secretary of State for External Affairs. Is the minister in a position to indicate to the House the specifics or conditions of the recent loan by the government of Canada to Indonesia? In particular, do the conditions ensure that the funds or the results of the funds will get down to the people who need them and will not be siphoned off by the powerful elite of that country?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, a press release was issued on the details of the loan to Indonesia following a general agreement made between Canada and Indonesia when the president of Indonesia was in this country a year ago. I believe I would be doing the hon. member a better service if I sent him the material directly rather than attempting to recall it now.

* * *

VETERANS AFFAIRS

REQUEST FOR STATEMENT BY MINISTER ON PENSIONS FOR PRISONERS OF WAR

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the government House leader. In view of the January 28 and February 3 statements in this House by the Minister of Veterans Affairs that he would make an announcement concerning the unanimous report of the Standing Committee on Veterans Affairs relating to former prisoners-of-war within two weeks of the former date, a period which is expiring, will the House leader give the paring knife to someone who knows how to trim the fat from less essential programs in order to re-allocate funds toward implementation of that report, thus enabling the Veterans Affairs Minister to satisfactorily fulfill that commitment?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I should say to hon. members that this question is still under consideration in cabinet. I know it had been the intention of the Minister of Veterans Affairs to make a statement tomorrow. I do not know whether in fact this will be possible since the matter is still being considered in cabinet.

Mr. Knowles (Winnipeg North Centre): Shame!

* * *

REGIONAL ECONOMIC EXPANSION

DATE OF AGREEMENT WITH BRITISH COLUMBIA

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Since the minister has very quickly come to an agreement with the new government of British Columbia regarding highway expansion in northern British Columbia, something that did not happen with the old government, and since there is not an agreement between the federal government and the government of British Columbia with regard to DREE grants, the only province in Canada that does not have an agreement, when will an agreement be made with the province of British Columbia and what form will it take?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, indeed I had the honour to be in Victoria last Monday and to meet with the minister responsible for development as well as with the Minister of Agriculture, Mr. Phillips, with whom I signed an agreement for the development of a road system. We also took the opportunity of this first meeting to consider the development possibilities within this big and magnificent province. I hope that during the next weeks, our officials, federal as well as provincial, will have the opportunity to get in touch and that they will be in a position to make recommendations. The minister and myself agreed to meet again, next May or June, and at that time some decisions will probably be taken. Obviously, we have to wait until such time to announce them.

* * *

[*English*]

TRANSPORT

REQUESTED REVIEW OF GRADE CROSSINGS IN SCARBOROUGH

Mr. Alan Martin (Scarborough West): Mr. Speaker, my question is for the Minister of Transport. It now being some two months since the fatal train/bus tragedy in Scarborough, will the minister indicate what steps have been taken to review the adequacy of existing safety standards at the 35 level crossings in the borough of Scarborough where grade separations are not yet in place, including the site of the tragedy?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the same standards of safety and review are applied throughout the country, having regard to the kind of traffic that presents itself. Much of the initiative in relation to grade separation, of course, rests with municipal bodies, although we have a facility for assisting in a very major way with these matters. We have, as the hon. member knows, made some progress in improving grade separa-

tions, in this particular area. We are now looking at another one which is important to the hon. member. I hope we will have some news for him very soon.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

PROPOSED ESTABLISHMENT OF SECOND TELEVISION STATION AT RIMOUSKI

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to put a question to the minister responsible for the CBC.

While I agree with the CBC's intention to set up a French television station in Vancouver, even if people seem to be opposed, I would like to ask the minister if he would consider the possibility of granting such stations in areas where people are very keen to have one, such as is the case in my constituency of Rimouski which has been hoping for many years for a CBC station?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, in the absence of the minister responsible for the CBC, I can tell the hon. member that indeed discussions are under way with CBC officials in view of setting up another French channel, in keeping with the expressed desires of the people of that area.

[*English*]

REQUEST FOR TELEVISION SERVICES IN NORTHERN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question for the same minister. For many years some parts of Canada have not had regular CBC coverage. I refer to the northern parts of Newfoundland. Will the minister investigate the continuing procrastination of the CBC to extend television services to these people and report to the House on her findings?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Mr. Speaker, I will certainly bring the hon. member's problem to the attention of the minister. As he knows, this problem is common not only to areas of Newfoundland, but to other areas of Canada.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

SEVENTH REPORT OF JOINT COMMITTEE

On the order: Motions:

December 18, 1975—Mr. McCleave (Joint Chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments):

[Mr. Lang.]

That the seventh report of the Standing Joint Committee on Regulations and Other Statutory Instruments presented to the House on Tuesday, December 16, 1975, be concurred in.

Mr. Baldwin: I rise on a point of order, Mr. Speaker, relating to the item Your Honour has just called. As it will form the basis of the discussion tomorrow there has been some consultation among House leaders and it might be for the benefit of hon. members if I were to make a short comment, with the agreement of all those concerned.

The report in question, while approving the concept of freedom of information generally, deals with the extension of the powers of the committee into the next session. At the time this report was brought in the committee was confident that the government House leader, with the aid of his colleagues, would so expedite the business of the House that we would now be in a new session. The hon. gentleman has somewhat disappointed us in this regard, and as several months may now elapse before a new session is called, the motion standing in the name of my hon. friend has, by agreement, been extended to include terms of reference for the balance of the present session. That will form the basis of the subject matter of the debate tomorrow. I have given the House leaders of the respective parties copies of the motion in question.

Mr. Sharp: On the same point of order, Mr. Speaker, may I say that for reasons that are well known—the difficulty of getting our legislative program through—it is, unfortunately, necessary to extend these terms of reference and I can assure the House that a motion in those terms is acceptable to us.

Mr. Speaker: It is not clear to me whether the House is of a mind to withdraw or accept the motion of the hon. member for Halifax-East Hants (Mr. McCleave). In any case, he is not here today.

Mr. Baldwin: Mr. Speaker, I have before me a motion in terms which include the motion of the member. I could read it now and the House could then make an order. The hon. member for Halifax-East Hants (Mr. McCleave) has agreed that I could read this motion so that the House would then be put in possession of the details of the subject matter we shall be discussing tomorrow.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Baldwin: The motion is as follows:

That the Seventh Report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Tuesday, December 16, 1975, be concurred in, and that the committee be authorized to examine the matters referred to in paragraphs 1, 2 and 3 of the said report during the balance of this session.

Mr. Speaker: Is that the motion which is to be discussed tomorrow, by agreement?

Mr. Baldwin: Yes.

Mr. Speaker: It is so ordered.

ELECTORAL BOUNDARIES COMMISSION

TABLING OF REPORTS RESPECTING BRITISH COLUMBIA AND NEWFOUNDLAND

Mr. Speaker: It is my duty, pursuant to section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2, Revised Statutes of Canada, 1970, to lay upon the table of the House certified copies of the Reports of the Electoral Boundaries Commission for the provinces of British Columbia and Newfoundland, 1976.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 3,347 and 3,627.

I ask that the remaining questions be allowed to stand.

Order Paper Questions

[*Text*]

HULL, QUEBEC—CONSTRUCTION OF OFFICE COMPLEXES

Question No. 3,347—**Mr. Coates:**

1. Since 1970, how many office complexes have been constructed or are being constructed in Hull, Quebec, either by the government or private individuals or corporations that will be used in total or in part for the housing of government offices and employees?

2. In each case (a) what is the name of the building (b) what was the cost of the building or the estimated cost in cases where construction has not been completed (c) what departments will be using the building (d) how much space will be provided on a square footage basis (e) how many employees are or will be located in the buildings (f) where rentals or leases are involved, what is the (i) amount of the lease (ii) square footage involved (iii) length of the lease and any indexing that might be associated with the leases?

Hon. C. M. Drury (Minister of Public Works): 1. Government, 4; Private Individuals or Corporations, 3.

Government-Owned Buildings

2. (a) Name of Building	(b) Cost or Estimated Cost	(c) Tenants	(d) Area Provided	(e) Number of Employees
Place du Portage Phase I	$19,326,057	Consumer & Corporate Affairs Supply & Services Manpower & Immigration National Health & Welfare	328,438	1,717
Place du Portage Phase II	$19,729,000	Labour Consumer & Corporate Affairs Public Works Supply & Services National Health & Welfare Agriculture Unemployment Insurance Manpower & Immigration National Revenue	351,681	1,563
Place du Portage Phase III (under construction)	$82 million (estimate)	Supply & Services	894,000	4,000
Place du Portage Phase IV (under construction)	$63.5 million (estimate)	not known	660,900	3,700

Buildings Constructed or being Constructed by Private Individuals or Corporations

2. (a) Name of Building	(b) N/A	(c) Tenants	(d) N/A	(e) Number of Employees	(f) (i) Amount of Lease	(ii) Rentable Square Feet	(iii) Length of Lease and Indexing	
Place du Centre		Not yet identified		1,777	Maximum 3,006,384 (per annum)	410,148	30 years from completion of construction.	This is base rental rate maximum. Option to purchase at end of 30 years for $6 million dollars.
Fontaine Building		Environment Supply and Services National Health and Welfare		842	$999,333.36 (per annum)	216,342	Sept. 1/71 to Aug. 31 1981	Base year for realty taxes 1972. Base year operating costs for electricity, heating and cleaning—1973. Escalation allowed on the above
Place Vincent Massey		Environment Supply and Services National Health and Welfare		1,293	$1,339,111.68 (per annum)	306,836	July 1/73 to July 30, 1988.	Base year for realty taxes 1974. Base year for operating costs for electricity, heating and cleaning—1975. Escalation allowed on the above.

Motions for Papers

RETENTION OF LAWYERS BY DEPARTMENT OF JUSTICE IN CONSTITUENCY OF VICTORIA, B.C.

Question No. 3,627—**Mr. McKinnon:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Victoria, British Columbia who performed services for the Department of Justice during 1973 and 1974?

2. By year, what was the total amount paid to each?

Hon. Ron Basford (Minister of Justice): In so far as legal agents of the Minister of Justice are concerned: 1 and 2.

	1973 Department		1974 Department	
Branson, C.O.D. Victoria, B.C.	NH&W	$40,009.23	RC-T	$ 364.30
	RC-CE	260.00	Fin	109.50
	MOT	504.20		
	M&I	320.50		
Cox, Kenneth B. Victoria, B.C.	RC-T	988.75	MOT	803.48**
	MOT	4,306.72	CCA	2,213.82
			RC-T	760.45
Hutchison, J. M. Victoria, B.C.	RC-T	128.50	RC-T	1,015.00
			UIC	75.00
Hutchison, R. B. Victoria, B.C.	EC	1,167.01	EC	728.09
			RC-T	2,869.80
Pearlman & Lindhold Victoria, B.C.	NH&W	*	NH&W	9,783.96
Stewart, Ian H. Victoria, B.C.	M&I	566.07	M&I	*
	RC-T	1,026.15		
	UIC	270.25		
Sullivan, Smith and Bigelow Victoria, B.C.	NH&W	1,645.70	NH&W	59,745.04
Taylor, Rodney Victoria, B.C.	NH&W	17,630.25	NH&W	1,915.50

*Work assigned during the period in question but no accounts received during this period.

**The previous total here was reported as $6,777.75 and should have been $3,777.75 (Questions 3,096 and 3,265)

MOTIONS FOR PAPERS

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 85 is acceptable to the government.

[*Text*]

COPY OF SPECIFICATION REQUIREMENTS OF TENDERS AWARDED TO CANADIAN LABORATORY SUPPLIES LTD.

Motion No. 85—**Mr. Fleming:**

That an Order of the House do issue for copies of all the original specification requirements of tenders that were awarded by the Department of Supply and Services to Canadian Laboratory Supplies Ltd. for the supply of laboratory furniture and equipment since 1972.

Motion agreed to.

[Mr. Drury.]

[*Translation*]

Mr. Blais: I ask, Mr. Speaker, that the other notices of motions be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

* * *

[*English*]

PRIVILEGE

REFERENCE TO QUESTION RAISED BY MR. MacKAY ON MATTERS SUB JUDICE

Mr. Speaker: Order. Before calling upon the hon. member for Sault Ste. Marie (Mr. Symes) with respect to his proposed motion pursuant to Standing Order 26, may I take a few moments on the matter raised by the hon. member for Central Nova (Mr. MacKay) and others, in connection with the rather important question of matters sub judice—there is a considerable weight of material having to do with this question, and the arguments put forward by hon. members yesterday are most interesting—it is abundantly clear that in any event a decision by the Chair, and I hope all members are agreed that it would be worth while, but it would be difficult at this point for the Chair to attempt to review the matter not only as it relates to criminal proceedings but to civil proceedings as well and try to make a definitive pronouncement if possible.

It is clear to me at this point, however, that in any event no restriction ought to exist on the right of any member to put questions respecting any matter before the courts particularly those relating to a civil matter, unless and until that matter is at least at trial.

Some hon. Members: Hear, hear!

Mr. Speaker: Therefore, in any event, bearing in mind the customary practices of the courts, it will be some time before any restriction might be visited upon the hon. member for Central Nova. I make this observation at the present stage only because I believe it would permit the Chair to take a little more time to deal further with this matter.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

LABOUR CONDITIONS

EFFECT OF INTERVENTION BY ANTI-INFLATION BOARD ON PAPER WORKERS' STRIKE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I ask leave, seconded by the hon. member for Nickel Belt (Mr. Rodriguez), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the strike of some 20,000 paper workers which has continued for over half a year causing severe hardship to the families and economies of the regions involved, and

which is no nearer to a settlement in most regions due in large part to the intervention of the federal government's Anti-inflation Board which has rejected a wage settlement arrived at between the union concerned and the Irving Paper Company of New Brunswick, an intervention which has given paper companies elsewhere in Canada an excuse not to negotiate realistically and in good faith, and which has caused provincial governments, under whose jurisdication labour matters normally fall, to leave this dispute in the hands of the federal board which to date, through the Administrator, has not made a definitive ruling in the Irving settlement, and the necessity that this matter be debated in parliament.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The question which has been put forward in the form of a proposed motion by the hon. member for Sault Ste. Marie (Mr. Symes), pursuant to Standing Order 26, is one which has given the Chair considerable difficulty. The hon. member gave the Chair notice of his proposed motion yesterday, and consequently the Chair has had some time in which to reflect on the consideration which should be given to it pursuant to Standing Order 26.

First, may I say that the subject matter would appear to have all the necessary ingredients to qualify it for consideration under the Standing Order. It certainly is one of extreme importance. If for no other reason than the length of time during which the situation referred to has endured, it certainly has severity of impact. Moreover, it transcends parochial considerations. Its scope extends across several provinces; indeed, over the past several weeks many members have taken occasion to put questions on it. Those questions were not restricted to members from any particular party or to any particular region. In addition, of course, it is well known—and this has been pointed out—that the hon. member for Fort William (Mr. McRae) raised the question as a possible subject for debate prior to the Christmas recess but the proposition was rejected, primarily on jurisdictional grounds.

As I say, the subject would seem to lend itself ideally to consideration under Standing Order 26 except for two very serious problems. The first is, again, one of jurisdiction. The fact is that the subject matter really concerns a strike in the private sector affecting private companies and private unions. To this extent, really, it is totally beyond the jurisdiction of parliament. On the other hand a new ingredient has now been introduced by the hon. member, one by which he proposes to connect the dispute with the federal jurisdiction—that the strike, which has now been continuing for some time in the private sector, is being prolonged as a result of the introduction of a federal policy and the creation, existence, actions and decisions of the federal Anti-inflation Board.

Some hon. Members: Hear, hear!

Mr. Speaker: That, I may say, is not an easy question to resolve. It has been extremely difficult and, frankly, after much consideration, I find myself unable to reach a decision on it. If such a proposition were accepted it would be, for example, most difficult to resist the tendency for this parliament to get into a discussion of a decision respecting, for instance, the recent difficulties with the Toronto high school teachers, which is clearly a matter of provincial jurisdiction but which is, or was, affected in its progress by a decision of the Anti-Inflation Board. The Chair has to wonder from a jurisdictional point of view, on the basis of that argument, if this particular strike is accepted for discussion in this Chamber, whether or not it would open up the possibility of discussing every strike in the private sector that might have been affected either by the guidelines or by the board in one way or another.

● (1510)

That may, on some sides of the House, be desirable, but the fact of the matter is that a precedent like that could be dangerous. As I have indicated, I do not in the circumstances find it necessary to resolve that particular point, at least not at this moment.

I might point out that the changes made in 1969 to the procedures of this House removed by design—and I certainly do not disagree with that removal—debate on the application itself made under Standing Order 26. It is, in other words, no longer possible for the Chair to entertain a discussion of whether or not this House has jurisdiction to look at the proposed motion of the hon. member. That is, I think, a better procedure than the previous one, but in this instance, on the jurisdictional question, it does leave the Chair short of some advice and discussion that it would very much seek from members of the House. Therefore while the matter is under further consideration, in remarks I will make in a moment I propose to invite comment by the House leaders, and in fact by any other members who are interested in bringing to my attention matters or points of view that might affect the jurisdictional decision. Perhaps that might take place while this other matter is under consideration.

I said that there were two very difficult problems. The second is that by the very description of the hon. member's proposed motion the Administrator, pursuant to the anti-inflation legislation, is involved in the follow-up, as is the ordinary procedure envisaged in the legislation, after the decision by the board. The intervention of the Administrator, in other words, is in accordance with the legislation.

I would have to take the view at this moment that, if we could eliminate the jurisdictional problem in hypothesis, it would seem to me the situation is very similar to that of a strike, which would fall within the jurisdiction of this House clearly, in which the parties, after a prolonged work stoppage, had agreed on the nomination of an arbitrator or mediator, as the case might be. I think the Chair ought always to take the attitude that while some process within that bargaining system had the capability of resolving the dispute, this House ought not to address itself to the problem pursuant to Standing Order 26. The actions or presence of the Administrator at this time seem to me to be the beginning of the work that is envisaged by the legislation. Therefore, if it has the effect of resolving the dispute, it seems to me that while there exists a reasonable opportunity for success in that particular area we ought not to take the matter under consideration pursuant to this Standing Order until that reasonable possibility has run its course.

Tabling of Document

Therefore, as in previous cases, my decision not to proceed with the setting aside of time for debate pursuant to Standing Order 26 at this particular time is entirely without prejudice to hon. members to raise the matter again if the efforts of the Administrator are in fact not successful and the matter remains with us after the efforts of the administrator have run their normal course. In the meantime I have indicated that, because of the rather difficult jurisdictional problem, I will pursue that subject and seek the advice of the House leaders and consultation with them, and in turn the advice of and consultation with any other hon. members who are interested in expressing themselves to me on the subject of jurisdiction.

Mr. Broadbent: Mr. Speaker, on a point of order, I would appreciate it, and I suspect certain other members of the House would, if you would clarify certain parts of your remarks. You suggested at one point that you would welcome advice or opinion from the party House leaders and other interested members of the House on the issue you raised in connection with jurisdiction. I had understood when you said that that you expected those views to be expressed publicly here in the House. I would appreciate Your Honour clarifying that.

Mr. Speaker: I would ordinarily welcome the expression of such views in the House for the benefit of the public record. The fact of the matter is that Standing Order 26 was amended, along with a number of other Standing Orders, in the last major revision of the rules so as to eliminate that kind of debate. What in fact took place under the previous Standing Orders was that what was intended to be a debate on the question of whether or not a subject should be debated pursuant to Standing Order 26 turned out, of course, to be a debate on the substance as opposed to the procedure.

In the revision the House, in its wisdom, deemed it appropriate to eliminate that kind of debate. Therefore it is not possible to have such discussion on the public record now, as much as I would take some considerable benefit from that. I am therefore inviting hon. members to communicate with me privately if they have any points of view respecting the jurisdictional matter.

Mr. Broadbent: Mr. Speaker, may I ask a final question on the same point of order. I understand Your Honour is ruling against the acceptability of the motion at this time, or are you simply postponing your decision?

Mr. Speaker: Again the provisions of the Standing Order indicate that the Chair ought, if in fact it is not required, to delay no more than 24 hours in making a decision. Therefore I am indicating that because of the presence of the Administrator and the fact that he has a job to do which is just beginning, debate is not appropriate at this time. However, I leave open the right of hon. members to re-raise the question at a later time if in fact the efforts of the Administrator prove unsuccessful.

Mr. McKinnon: Mr. Speaker, I have a different point of order to raise having to do with a confusing situation that arose during the last two days concerning a document that the Minister of National Defence (Mr. Richardson) tabled. Yesterday's *Hansard* would certainly leave doubt in anyone's mind as to what actually happened.

[Mr. Speaker.]

The minister stated that he had tabled a document, and I have been looking for it. I would like to point out to Your Honour that yesterday morning I asked sessional papers for a copy of the document tabled and they said that they did not have it. Yesterday at 2 p.m. I asked the House officer whether he had seen the document that had been tabled, and he said that it had not been tabled. I therefore asked a question as a point of order concerning that.

It appears that the unthinkable happened yesterday and that the document that the minister handed to a page never arrived at the table, that it went instead to the *Hansard* reporter and took several hours to get back down here. I would not want left on the record the possible implication that the minister had not in fact tabled the document that he said he had tabled.

Mr. Speaker: Order, please. I certainly thank the hon. member for Victoria (Mr. McKinnon) for raising the point of order; I had intended to make a comment about it. Our information is exactly as the hon. member for Victoria has described. In the course of his remarks the minister made clear his intention to table the document, handed it to a page, who mistakenly took it to the *Hansard* office instead of taking it to the Table, under the impression, I suppose, that it was to be printed as an appendix as opposed to being tabled. The minister was under the very clear impression that he had tabled the document, though in fact the Table had not received it. That is the reason for the confusion.

Votes and Proceedings of February 10, 1976, has indicated by way of a corrigendum that that has taken place, and I certainly welcome the intervention of the hon. member for Victoria in straightening up the record for *Hansard* as well.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Tuesday, February 10, consideration of Bill C-58, the amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, last night I was saying that the government can do anything it pleases if the circumstances warrant. In this regard we have seen how it has flip-flopped with respect to wage and price controls and how it has flip-flopped with respect to *Reader's Digest*.

We on this side of the House are attempting to give some due consideration to the sound if not ingenious proposals of the hon. member for Surrey-White Rock (Mr. Friesen) that there be some special circumstances involving KVOS, which is a Canadian subsidiary of a U.S. parent company and which, as I understand it, has contributed some $76 million to the economic development of this country.

Even more than that, Mr. Speaker, the motions moved by the hon. member for Surrey-White Rock indicate that there is a need to give some credence and acceptance to the needs of the consumer vis-à-vis the province of British Columbia. What is wrong with that type of approach, particularly when the CRTC has ruled that commercial deletion regarding cable and television is something we will have to get used to in the future? As I understand it, such a policy will not be implemented until such time as the whole matter which affects not only border stations but the viewing audiences in Hamilton, Toronto, etc. can be solved equitably.

● (1520)

We have seen an equitable solution supposedly in respect of *Reader's Digest*, even though it was made through the back door. At least this shows there can and must be flexibility in respect of Bill C-58. All we are asking in this particular regard is a reassessment or a review of the government's position in order that it does not tread, run, or jump hastily into a very precarious situation.

We are talking about a good corporate citizen, and I will not go into the reasons why I can make that statement. It is most unfair for a government to move in such a disastrous way that will unquestionably mean the end of this particular broadcasting station. Surely that is not the way we should operate, particularly after the station has been around for a significant number of years making a solid contribution to the development of our national economy.

We must pause and ask ourselves if there is some possibility of negotiation or arrangement. We must ask whether there is the possibility of a solution being found regarding the particular situation in which we find ourselves, and that is Canadian nationalism versus United States parent companies. I suggest there is a possibility, in that the government found one in respect of *Reader's Digest*. What I am saying, in other words, is that we should not let this bill preclude the possibility of any plan which may benefit Canada and the Canadian broadcasting system. We are calling for flexibility and I know it can be found because the precedent has been set.

What is the hon. member for Surrey-White Rock trying to do? He has put before this House for the edification of the Canadian people three proposals which are the same in substance and principle but which vary because of the particular circumstances we may confront. His first motion is No. 7 in which he calls for a written agreement, once a plan has been approved by the CRTC and the Minister of National Revenue (Mr. Cullen), providing compensatory payment by the allocation of funds to enhance Canadian television. Is that not what we are seeking? If that could be accomplished you would then enhance Canadian broadcasting and television, as the case may be, at the same time giving relief to stations such as KVOS.

Motion No. 8 is in the same vein. In the event that the first motion is not acceptable it calls for a written agreement by a particular subsidiary, one similar to KVOS, with not less than 75 per cent of the voting shares being held by Canadians and directing a percentage of the gross revenues, to be determined by the company and the CRTC, to be allocated for the benefit of Canadian television. Is that not a solution worthy of some consideration?

I am looking at the minister responsible for the Treasury Board.

An hon. Member: He has already got problems.

Mr. Alexander: Perhaps he has enough problems, but with the power he holds sitting in that particular portfolio I wish he would look seriously at Motions Nos. 7,8 and 9. I am sure he would come to the conclusion in a minute that these proposals make sense in terms of equity.

If motion No. 8 is not acceptable to the President of the Treasury Board (Mr. Chrétien) and that elite group which sits in the front benches maybe No. 9 is attractive. Motion No. 9 is in the same vein. It also calls for a written agreement in respect of approximately 25 per cent of the gross revenue of a particular subsidiary being directed for the benefit of Canadian television, with the utilization of such amount to be determined by the CRTC and approved by the Minister of National Revenue.

The most important aspect of these motions is that the scheme or proposal will be under the direct supervision and control of the CRTC and the Minister of National Revenue. They will set the guidelines and the percentage, and will determine how the distribution is to be made.

I think it is significant to note the problems we have in respect of the acceptability of U.S. television programs in Canada. I should like to quote from the Vancouver *Sun* of August 28, 1975, from an article by James Nelson under the headline "Why does Canada Buy U.S. TV Shows? It pays!" Bill C-58 is not going to stop that. It will not stop the CTV and CBC from buying U.S. programs, and let there be no misunderstanding in that regard. This article states:

> The most popular U.S. television shows imported by the CBC and CTV television network last season cost $2,000 to $4,000 for each episode and yielded the networks $24,000 to $46,000 each.
>
> By contrast, all major Canadian-produced shows were heavy money-losers, of as much as $49,000 a week.

Later in the article it is stated:

> But the figures that were revealed showed the disproportionately high revenues from the airing of American TV shows on the Canadian networks compared with their costs, and the high cost of Canadian shows in relation to the revenues they brought in.

The last part of that sentence is important, "in relation to the revenues they brought in". The proposal of the hon. member for Surrey-White Rock would provide that a percentage of the gross profits, less advertising expenses, etc., would be directed by the CRTC and the Minister of National Revenue toward reducing those deficits. Surely that is a step in the right direction. Is this not the type of arrangement we are seeking?

I know that hon. members opposite realize the government is wrong in the direction it is moving, trying to kick out, without ceremony, a station that has been operated for years within the guidelines of the law in Canada. Does it not make sense to try to reach some sort of an agreement?

If one of the proposals of the hon. member were accepted this would assist Canadian television program production; it would assist the extension of Canadian television services; it would assist in the development of Canadian talent; it would assist in the furtherance of educational TV, and it would assist in respect of any other broadcasting objectives for the benefit of Canada and Canadians. This is

why I have no hesitation in standing here pleading with hon. members to accept these proposals. I am not suggesting that the minister or the ministers responsible have not looked into this matter very thoroughly. What I am saying is that they should look again.

I compare my point vividly with the situation that existed with *Reader's Digest*. I realize there was a problem, but three months ago the government said there was no way it could move, and *Reader's Digest* was out and completely finished. Lo and behold, what happened? We now find the government in its wisdom—and now and again the government does have some wisdom, but not often—came up with a solution, particularly, when faced with the possibility of losing thousands of votes in the province of Quebec.

● (1530)

I do not want to pursue that any further because I pay a compliment to the people in the province of Quebec because they were able to beat the minister, the Prime Minister (Mr.Trudeau), and everybody else over the head and say that this was wrong. They found a solution. Should not equity and justice prevail? What about trying to save another situation, that in respect of KVOS? It is the same set of circumstances.

An hon. Member: But it is not in the interest of Canada.

Mr. Alexander: I would not want to say that. But surely someone other than myself may think this is unfair treatment and is discriminatory.

I do not know who the member is across the way who just interjected. What is his riding? I would like to refer to him. If he wants to get into *Hansard* I will see that he does. He is a nice chap. We are all here trying to do our duty. Some of us know where we are going and know what we want, but some others on the other side do not know where they are going or what they want.

I am glad the hon. member mentioned our American friends and not our American enemies, because the way I look at it the government is hell-bent on trying to see how much further it can antagonize, as my friend over there said, our American friends.

With all due respect, Mr. Speaker, I think I have made the position quite clear for those on the other side who have difficulty in understanding positions. I can understand that these things are technical and difficult, but I ask hon. members to accept the argument the hon. member for Surrey-White Rock has placed before the House, and to accept with some compassion the arguments I have sincerely placed before the House. I hope it will be accepted that these proposals are worthy of consideration to the extent that this particular aspect of the bill should not come into effect.

Once this bill is passed it will be rammed down our throats. Let us at least withdraw the particular clause which applies and re-word it so there can be some sense of equity and relief. Or let us do what many of us over here really think should be done which is to refer the whole bill, in light of the several new matters and concerns; that have come before the House, back to the committee for consideration.

[Mr. Alexander.]

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I should like to spend a few moments addressing myself to some of the points made last evening by the hon. member for Surrey-White Rock (Mr. Friesen), in fairly specific terms in reference to the amendments he has put forward.

In the early moments of his speech the hon. member pointed out that the Maclean-Hunter organization, which has come under considerable discussion in this debate with reference to the other parts of the legislation, in fact owns and operates a United States Cable Company, and asked if indeed Canadian Companies can go down to the United States and operate that kind of broadcasting or communications system why do we suggest disincentives for Americans here. Certainly these motions refer to what would be a special deal for an American station to operate from the United States into Canada.

I think the answer is very clear, if the hon. member and his colleagues will listen to it. First of all, the Federal Communications Commission in the United States, which is the counterpart of the Canadian Radio Television Commission in Canada, forbids the owning of broadcast outlets by non-Americans.

When we talk about the specific case of KVOS, to which these amendments apply, we are talking about a broadcast outlet. In the United States you cannot own a broadcast outlet if you are not American. So certainly I think it is a bit of a red herring to get into the cable situation because cable is quite different from an actual broadcast outlet. If, however, one wanted to say there is not that much difference I would simply argue that the FCC is now seriously considering taking action to prohibit ownership in the United States of cable by foreign interests. We may find very soon that Maclean-Hunter is not able to carry on with that operation. In the United States they are thinking exactly the same way we are thinking here. Thus I suggest the first argument of the hon. member simply is not valid.

The hon. member went on to say we should consider the situation of the Detroit-Windsor market place, or in fact one particular radio station operating out of Windsor which beams into the American market place and calls itself a major Detroit station. Again let us tell the whole story, which is that last fall the CRTC asked that station to stop attempting to solicit United States advertising. I must say we have not quite had the FCC doing that on our behalf.

The Canadian Radio Television Commission, having acted in an honest and proper fashion by saying that what is good for the goose is good for the gander, I want to go on to say that we also have a situation where the FCC, the American counterpart of the CRTC, has ruled that the Windsor-Detroit area—Windsor the smaller area with the potential of getting to the Detroit area which is larger—in fact would be classed as a total American market place. As a result we are not allowed to play in Windsor any of the programs we buy from the United States for some $25 million a year even at the same time as they are played on the Detroit stations. The FCC clearly has acted to protect its own market place while a smaller Canadian market place might otherwise threaten the larger American market place. Do we not have the same situation with Buffalo and Toronto? Of course we do.

Hon. members cannot argue out of both sides of their mouths. I hope hon. members will consider that when they talk about the situation in Detroit and Windsor. The hon. member for Surrey-White Rock went on to say that this is in effect a tax bill to update the Broadcasting Act. Of course nothing could be further from the fact of the matter. It is indeed for the very reason it is a tax bill that it means to give incentives to Canadians to operate in Canada, and to encourage Canadian businesses to deal with other Canadian businesses to which they interrelate. It is precisely for that reason we are presenting this action here in the form of a tax bill.

That is also precisely the reason why none of these amendments make any sense because if we accepted them we would be doing exactly what the hon. member tried to attack us for doing. If we took his amendments we would be saying, "OK, let us through a tax bill make a special exemption which would change the whole purport of the Broadcasting Act." Surely that is the fundamental reason why these amendments cannot be given serious consideration.

It was also suggested by that member in presenting his motions that we were using a tax for the development of cultural policy. Well, no more so than we have tariffs in some cases for the encouragement of agriculture or industry, and no more so than we have tax forgivenesses and deferment in order to aid and assist our own businesses in competition around the world and here at home. There is nothing unusual in an attempt to encourage our own industry within its own market place, and especially to encourage broadcasting where in the private sector it is heavily harnessed by responsibility to the Canadian public in programming and content.

I was somewhat disappointed to hear the hon. member for Surrey-White Rock attack both the hon. member for Comox-Alberni (Mr. Anderson) and the hon. member for Burnaby-Seymour (Mr. Raines) for not having addressed themselves to these amendments when they were discussed in the committee. Quite frequently on this side we had had discussions in committee. I certainly had discussion with those two members of parliament, since I am the parliamentary secretary dealing with this area.

● (1540)

It was agreed that since these motions were so outlandish, were contravening the Broadcasting Act, and were inappropriate to be brought into a tax bill, that only one person would address himself to them, and that was me. That is why they did not address themselves to that point. It is unfortunate that they cannot defend themselves because they are in their constituencies working with and for their constituents for the next couple of days, and we all have those responsibilities. But the fact of the matter is—

Some hon. Members: Oh, oh!

Mr. Fleming: I seem to have touched a responsive chord. The fact is that both these members were active in committee and thoughtful about this legislation. They reached their conclusions after considering them fully.

During the committee stage the Standing Committee on Broadcasting, Films and Assistance to the Arts heard a spokesman from British Columbia, specifically a spokesman for the major private sector, an entrepreneur in broadcasting, a senior executive of CHAN-CHEK television. Not once during the time he was before the committee, nor in any formal or informal conversation, did I hear him suggest as a private businessman from western Canada—members opposite say they have a real interest in private enterprise and competition—that he thought it was fair competition to continue with the current situation with KVOS in Bellingham. He did not think it was best to support the kind of motion that is put forward here. There is a specific reason why it is difficult for CHAN-CHECK, because to compete with KVOS the CRTC awarded him with a licence after he made application, following which he was faced with certain heavy responsibilities over a period of years, the kind of responsibilities to which members opposite object from time to time.

I should like to refer to a statement I made specifically on CHAN-CHEK, what they have tried to do, and what the CRTC has pressured them to do because they are responsible to a Canadian institution of government. First I should like to read part of the committee proceedings on December 4 of last year as recorded at page 31:97. I said at that time:

> First I want to point out that BC-TV which is CHAN-CHEK did not declare a dividend for its shareholders in the first ten years of its operation. I think of your criticism that perhaps they have not been—with all fairness, I listened and I want to reply. I do not think you can too often expect private enterprise to quickly leap forward and hand off the profits they have been making. However, in those first ten years they did not declare a dividend. When they became profitable they were required by the CRTC to undertake an expansion program and in five years they have extended service to the Okanagan. They have undertaken as well to off-set what that competitive situation might do in the Okanagan by giving the established TV stations in the area a payment of $500,000 per year currently, and they have extended service up to Prince George, with a financial protection, although a smaller amount. In the next two years they will go into the Kootenays with a total cost of $2 million to $3 million. They have future plans, and of course the CRTC has played a role in muscling for those—I do not deny that—in terms of kilowatt. Then in the Vancouver Island-Mainland area they have gone from three to 30 broadcast transmitters.

When you are in Canada under Canadian control as a private enterprise trying to survive in broadcasting, that is what you have to do. They have done all that in improvements. Tell me what KVOS has done in the 15 or 20 years to expand programming and to get T.V. to more Canadian viewers in the interior. Not a thing. They have had no news and public affairs demands on them, although 90 per cent of the advertising revenues from broadcasting came to KVOS from Canada, in news and public affairs programs the budget for CHAM-CHEK television last year was $1 million and, as I understand it, KVOS admits to an expenditure of about $100,000. Who is living up to the obligations, and who must face the licensing and competition? Obviously Canadians. We have an unfair situation when KVOS is allowed to continue to carry on business in Canada as it does.

The hon. member for Surrey-White Rock said that if you put together Bill C-58 and cable deletion you will destroy KVOS. If that day should come, and I honestly hope that a happy and an acceptable resolution of the cable deletion issue is reached between the United States and Canada in the talks that are taking place now, I would not feel overwhelmingly unhappy about that particular company

when I consider the tremendous competitive advantages they had over the years they have operated and the massive revenues they have gained as a result. So far as the continuation of the kind of programming that has been available to the Vancouver market place is concerned, as it was discussed in the committee, it clearly will be.

The hon. member for Surrey-White Rock said last night that in the early days KVOS took risks. Of course they did, as any business venture does. They took risks to profit, and they profited far better than could their Canadian competitors who did not spend $100,000 on news and public affairs programs, little of it Canadian, but instead spent ten times that amount. They did it to profit, and that is fair enough if your competition is fair.

You have to remember they had the massive advantages of not having the Canadian content requirement and not having the public affairs or news requirement. They also had the advantage of moving fully into that Canadian market place without any comparable demands. OK, but are we being fair? Watch out, the United States will get angry if we keep on plugging them in the nose. Let us be very careful. We have been good friends with them before, let us continue to be good friends with them." I find it interesting that there are two Mexican radio stations currently broadcasting into southern California and at present the FCC is trying to find ways of shutting them down. What is the difference? The U.S. is trying to protect its industry in the same way that we are trying to protect our industry.

KVOS made a proposal to the CRTC which was described at some length in debate last evening. I only want to ask, if I may, why we did not hear about that in 1955, 1957, 1959, 1962 or 1965. I understand that it was presented only in the last couple of years. It was put forward in the terms it was presented to the CRTC in the last couple of years. I have read the argument last night.

Some hon. Members: Oh, oh!

Mr. Fleming: I seem to be touching a responsive chord in members opposite, but they will have a chance to speak shortly. I simply want to point out that while the hon. member for Hamilton West (Mr. Alexander) argued that they have been a good corporate citizen, we must recognize that if 90 per cent of your revenue comes out of Canada and you are operating in the United States and if you do not have the requirements that your competitors have, and as a good corporate citizen you make an arrangement with the Canadian government that you will give it 50 per cent of your proceeds, why should you be considered such a good corporate citizen when 90 per cent of your revenue comes from Canada in the first place? I think that is a nonsensical argument.

The hon. member for Hamilton West said also that we should think this over, that we should be careful, that we should wait for a while. My only caution there is that we have the Western Approaches television going on the air next fall and it will be very important that they be encouraged to operate in that market. That is one reason why we should continue with this. In Toronto we have both Global and City television, especially City television, trying to do some progressive and positive programming. But they are having a hard struggle because of the competitive situation they face with Buffalo which is acting, if anything, in a less responsible way than KVOS, Bellingham.

I want to make some specific points as to why I do not believe these motions should be supported. They propose to give certain foreign broadcasting undertakings a special status. The Broadcasting Act allows no status to foreign broadcasting outlets, so through a tax bill we would be contravening that. It would contradict the government's policy that broadcasting stations should operate financially only in the country which licenses them, and we know that the FCC has much the same attitude. Furthermore, these amendments are unsound in principle because they provide for exemption from a taxing statute and would create a special legal status for advertisers in one region. No matter whether you have special broadcasting requirements or circumstances in a particular region in Canada, surely our federal law should apply equally across the board.

Finally, there is not the slightest reason in the world to believe that these amendments could result in any real advantage to the Canadian broadcasting system. There is no guarantee or assurance that they would be of real advantage to the Canadian broadcasting system. But there is every reason to believe that by entrenching foreign broadcasting outlets in our system we would threaten its entire future.

● (1550)

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, the debate on this bill and its amendments has been taking place, off and on, since January of 1975. That is really a very long time to examine what is essentially a page and a half of legislation which comprises amendments to the Income Tax Act. A great deal has been said about censorship, and freedom, and the press, and the great principles which are involved, but the fact is that this legislation is to amend the Income Tax Act. It immediately affects people who are advertisers, publishers, and broadcasters, but our constituents will continue to read the same publications and watch the same broadcasts. Therefore this great agony of filibuster we have experienced seems strangely misplaced.

In this House from time to time we make changes in medicare and do some very important things with regard to individuals in our ridings, and I wish the House would spend the time on those issues it has spent on this issue which, as I say, immediately affects only three groups of people, but not the average constituent because the average constituent, in spite of all the rhetoric in this House, will continue to read *Reader's Digest* and *Time*, and will continue to watch KVOS.

I will try to support that argument a little bit, but before I do I should like to look back at some of the philosophy with regard to broadcasting, because we are dealing with broadcasting in these amendments. I want to quote from a notable Tory authority on broadcasting who has provided much input in terms of Tory policy, a man called George Grant. He is fairly well known in this country, and this is what he said about the national broadcasting system, which was sponsored by R. B. Bennett and which was a Conservative approach to broadcasting:

It was forgotten that the CBC had been established by a Conservative government under Bennett, in order to maintain national control over broadcasting and to prevent the airwaves being used simply for private gain. The encouragement of private broadcasting must be anti-nationalist: the purpose of private broadcasting is to make money, and the easiest way to do this is to import canned American programs appealing to the lowest common denominator of the audience.

George Grant had much to do with the development of the Conservative broadcasting philosophy over a long period of time. However, that theme was followed in January of 1975 when the announcement was made concerning the question of removing the tax exemption for the two publications, and when the broadcasting statement was made. When this initially came before the House the response by the hon. member for York Simcoe (Mr. Stevens), who is engaged in other pursuits at the moment, was as follows, and I hope his colleagues will take note of what he had to say at that time:

Mr. Speaker, in responding to the statement just made I would first like to say, on behalf of the official opposition, that we are pleased the government has clarified this matter at long last. We believe that the move to eliminate the income tax advantage shared mainly by two magazines, *Time* and *Reader's Digest*, is a good one.

Later on with regard to the broadcasting provisions he said the following:

I also believe, Mr. Speaker, that we would be in agreement with the thrust suggested by the Secretary of State in eliminating advertising that is now being put through foreign broadcast stations.

That was the purpose of the legislation. Many of us were bitterly disappointed by the decision of the minister to make a sweetheart deal with *Reader's Digest*. Now in this ingenious amendment there is the possibility of another sweetheart deal with KVOS.

I should like to say a word about KVOS because the hon. member for Vancouver-Kingsway (Mrs. Holt) suggested that somehow I do not like KVOS. I like KVOS. I watch it. It is a very good station. It is a station which began very early. I think it was the third station in the Vancouver area. It carried a duplication of programs which channel 7, the first channel in the area, carried, and of necessity it tried to be a good corporate citizen, since the majority of its revenues were derived from the lower mainland market.

Therefore, in an understandable burst of enthusiasm, KVOS developed production facilities in Canada to protect itself. However, I do not think the argument that somehow if this bill passes we will not see channel 12 bears serious examination. The cable system in the lower mainland shortly will have the capacity to carry 36 separate channels. There is no indication that channel 12 will be replaced on any of the existing cable systems.

Mr. Brisco: Who is going to buy the converters?

Mr. Leggatt: We will deal with the convertors. Don't get excited.

Dealing with the question of freedom of choice, which is the theme we have heard so much about in terms of broadcasting, the lower mainland now has available to it on the existing cable system channels 4, 5, 7, 9, and many have channels 11 and 12. Those are all United States channels.

Mrs. Holt: Why not?

Mr. Leggatt: We have channels 2, 6 and 8 available to us. I do not object to those being available, and I am sure they will remain. If the hon. member for Vancouver-Kingsway and others would closely examine what the cablevision companies themselves propose, a great deal of the hysteria which has been whipped up over this subject would simply subside. Let us read what Premier Cablevision has to say about the question of replacing any of the existing channels available on the lower mainland. This is an advertisement of January 21 of this year, and it reads as follows:

. . . open the door to an almost unlimited freedom of choice in the future, all present stations plus Tacoma plus new local programming will be on the cable. As some of these developments get closer we will keep . . .

—you informed. There will be no loss of any program of any kind. Clearly there will be a loss of revenue to KVOS if this bill passes and the amendment does not. As I indicated earlier, the amendment is an ingenious one, and I congratulate its drafter for attempting to meet what the purpose of the bill was in terms of developing revenues for Canadian production and maintaining advertising in Canada.

However, the argument which has not been dealt with, and which has not been met in this House is simply this: if we are going to make a sweetheart deal for KVOS, where is the sweetheart deal for CHAN, for CBC, and for all the Canadian channels broadcasting into the United States? Why are we looking only in one direction on this subject? Why are we not looking in the other direction in terms of the treatment Canadian stations are given by FCC regulations and in terms of the way they are carried on the American channel system? Until we have an across the border convention on broadcasting, there is not much point in passing these special amendments for special cases.

I have some sympathy for KVOS, but I am also aware that KVOS could cut its revenues in half and continue to broadcast the same kind of programming, although perhaps with a little less Canadian content. The KVOS channel will continue to be available to my constituents in the area. There probably will be more advertising revenue generated to the existing stations. They then will have the opportunity of going into Canadian production and expanding programming for the province of British Columbia. It seems to me, therefore, that unless or until and appropriate international agreement is developed with regard to the treatment of our stations broadcasting to the United States and United States stations broadcasting to Canada, this amendment is premature and should not be supported.

● (1600)

What do Americans do in terms of Canadian television channels? I am going to read an item from a pamphlet issued by the Canadian Association of Broadcasters where the subject is discussed by question and answer as follows:

The Americans have cable television. Does the FCC protect American off-air broadcasters?

Cable TV operators in the United States are required by the FCC to protect local broadcasters in their communities by deleting whole programs, not just the commercials, from the signals of non-local stations brought in by cable.

The Canadian Radio-Television Commission provides for simultaneous substitution. If a Canadian local station is broadcasting a program and non-local stations (including foreign) broadcast the same

program at the same time, the Canadian cable operator substitutes the Canadian local signal on all the cable channels with the same program. The FCC procedure provides for simultaneous and in some instances, non-simultaneous "black-out" on American cable systems to protect the local station. Thus many "distant" stations cannot show the same program by means of cable in a community where the local American station already has the same program.

We cannot have it both ways, Mr. Speaker. If we are going to give special exemption to American stations broadcasting into the Canadian market we have to give consideration to Canadian stations going the other way. That has not been the case to date.

If we look at the nature of public policy in public broadcasting and understand that this country is a string of small communities huddled along the United States border, as we can see when flying across the country, we realize that our chances of maintaining any cultural identity have a lot to do with the way we communicate from one end of the country to the other. If we decide to take the easy free enterprise route on broadcasting we can kiss goodbye to any hope of there being a Canadian identity.

We must consider another aspect of freedom of choice when we talk about whether American channels should or should not continue. I am arguing that we should continue to have flexibility. You cannot tell me it is freedom of choice to have Mary Tyler Moore at eight o'clock on KVOS, at eight o'clock on channel 2 and eight o'clock on channel 7. That is not freedom of choice.

People want a variety of programming, different things to suit individual tastes. That is what public broadcasting should be all about. If we are to zero in on the free market approach to this kind of thing we will not get more variety, but less. What we need today are more options open to people who watch. No country worth its salt would substitute foreign programming for its own. I do not believe that any country would give serious consideration to that proposition.

Mrs. Holt: They buy it cheap.

An hon. Member: CBC does it every day.

Mr. Douglas (Bruce): So what?

Mr. Leggatt: We have spent a lot of time in this House on two short amendments to the Income Tax Act when there are a lot more important things with which to deal.

KVOS can present further proposals in regard to that station and the lower mainland market, but I think they should be proposed not to the CRTC but to a joint meeting of the United States and Canada to consider the whole problem of broadcasting. You cannot isolate the problem to the lower mainland. We need an across-the-border dialogue on the question of television broadcasting to either area.

There is no question that what we are really debating is the conflict between Canadian nationalism and the use of broadcasting in a free market. An inherent principle is involved that somehow the air waves are the property of the advertisers or owners of television stations. I do not think any party in this House has ever adopted that principle in convention.

The fact is that the public airways are public property. The public must have licensing procedures for those properties, and those licensing procedures must take into consideration the national interests of the country. If they do not, we might as well pack up, Mr. Speaker.

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I should like to begin and end my remarks with the same statement. The thing I am concerned about is that the Canadian interest will be best served through the passage or rejection of Bill C-58. With many other members of this party I am convinced that will not be the case. Testimony given before the committee showed very clearly that the national interest would not be served and the outcome would not be more Canadian writers, more production and more revenue, if the bill were passed.

I want first of all to talk briefly about some of the things that went on in committee and then comment on the remarks of the Minister of Communications (Mrs. Sauvé) and of the parliamentary secretary in this debate. I should compliment the parliamentary secretary for at least having a grasp of what he was talking about, which is more than can be said for the minister. Perhaps she can be forgiven because of her newness in the job and the fact that she was not able to attend committee meetings. But I wondered if she had read the minutes.

The intent of clause 3 of Bill C-58 is clearly to promote the creation in Canada of a broadcasting system with a strong Canadian identity by ensuring that all Canadian advertising revenue is channelled to Canadian stations, thereby repatriating the substantial portion of this revenue which currently accrues to American border broadcasters. Were there even the most remote possibility that this legislation could achieve that goal, my colleagues and I might be persuaded to support it. There is, however, no such possibility.

Testimony given before the standing committee by the American television stations involved and by the Association of Canadian Advertisers made it abundantly clear that the enactment of this clause will not aid Canadian broadcasters, especially those most in need of additional advertising revenue. Even if more revenue were made available it would not necessarily flow to the weaker television stations that require assistance.

The central point, which was emphasized repeatedly by Mr. Blakely and Mr. Hopkins of the A.C.A., concerns the purchase of advertising time on Canadian outlets. They put it this way, that it:

> ... is and will continue to be based strictly on the ability of those outlets to attract Canadian audiences. This bill will not induce advertisers to buy time that does not have adequate audiences. Advertisers will, however, of their own accord, buy time on programs and stations that have a high level of acceptance by the Canadian public.

On the larger issue I am sure the parliamentary secretary is only too well aware that the listening choice of 56 per cent of the viewing audience in the lower mainland of British Columbia is for American television stations. This 56 per cent represents a majority choice. Hopefully the parliamentary secretary still believes in freedom of choice—certainly freedom of choice of the majority.

The parliamentary secretary would attack that freedom of choice, and I should like to speak again on this subject at third reading. He would have us believe that British Columbians do not know what they want to see. He is

somehow going to tell us, "We will switch off the dial and put something on here that you do not want." The choice is abundantly clear. In effect, if you have cable deletions along with Bill C-58, you wipe out KVOS-TV along with all the American stations. Hon. members know that is true. All British Columbians know it is true.

● (1610)

If the minister has his way it is only a matter of time until all American channels are wiped off. If the minister does not believe that, he has his head in the sand and it is about time he pulled it out. Mr. Hopkins illustrated this point in the situation in the Toronto area. Briefly, he said:

It might be helpful, Mr. Chairman, if I were to expand a little more on this concept of effective time because I think there is some misunderstanding on occasion on this. When an advertiser is planning his advertising campaign he has an objective of delivering messages to his customers and he wants to deliver his message to a substantial number of customers, and this is normally looked on in terms of being a reach objective. He wants to reach 50 per cent of his potential customers or 60 per cent. If we look at the Toronto market, if I may take that as a good example of the issue, there are a limited number of stations that are in a position to deliver to him the reach of that market. I think if we look at CFTO television, for example, and here I am referring to some BBM Bureau of measurement data, BBM reports that CFTO on a weekly basis reaches 75 per cent of the people in the Toronto market, and averagely it has about a 19 per cent share of the viewing in that market. That is an effective station for reaching Toronto.

I will not go through every station, but if we look at CFTO and CBLT and CHCH, those are effective stations at reaching that market. The same is true of the three Buffalo stations which reach 68 per cent of the market in a week, 65 per cent in the case of WKBW, 62 per cent in the case of WGR.

The developing stations in those markets, however, have problems in this regard on their own. If we look at Global—and I am referring to fall 1974 data—in the fall of 1974, only 36 per cent of the people in the Toronto central area had tuned at least once to Global; that is to say, 64 per cent had not. In the case of City, we are looking at very similar numbers: 35 per cent had and 65 per cent had not. So while there is time available on those stations, they alone cannot deliver an effective campaign to an advertiser who had something more than a very, very modest reach objective.

It is clear then that the Association of Canadian Advertisers does not believe that the provisions in clause 3 of Bill C-58 will in any significant way improve the financial situation of the less prosperous Canadian broadcasters. The results of this legislation, as they see them, are largely negative—an increase in the advertising rates on those Canadian outlets which are already effective and largely sold out in terms of available advertising time and the continuation of advertising on American border stations, even at an increased rate, to take advantage of this continuing wide appeal to Canadian audiences. That relates to the earlier point. The reach objective for the advertising is what people are seeking. They will pay more for that rather than use a less effective advertising media. They also see the diversion of substantial amounts of advertising revenue to other media, particularly radio and newspapers.

Compounding this problem is the fact that the American border broadcasters have indicated their intention to maintain their Canadian advertising clients by reducing their rates to compensate for the loss of tax deductibility of advertising expenditures as a result of this legislation. Obviously there is not going to be more money to divert to other aspects of the Canadian advertising media. When this occurs the final nail will have been driven into coffin of this bill as an effective means of supporting Canadian broadcasters. The government will have succeeded in reducing the revenue of the American stations without benefiting in any way the Canadian television broadcasting system.

It is precisely to avoid this result that my colleague, the hon. member for Surrey-White Rock (Mr. Friesen), has moved the amendments to clause 3 which we have before us. These amendments will ensure that, at least in western Canada, this legislation will result in some improvement and benefit to Canadian broadcasting.

As I stated first, and now in the middle of my speech, the objective is to benefit Canadian broadcasters, audiences, writers and producers. If Bill C-58 does not accomplish these objectives, we have to rethink it. If in fact we can find an alternative to benefit Canadians in any or all of these capacities, along with preserving this freedom of preferential choice as demonstrated by the ratings, should that not be what we are trying to do? This amendment will ensure, at least in western Canada, that this legislation will result in some improvement and benefit to the broadcasting system of that area.

They recognize the fact, which the government seems intent on ignoring, that foreign broadcasting operations can be of significant benefit to Canada and Canadians. Why is the government so persistent in insisting that if it is American, it is bad, wrong, corruptible, and there is no way that it can be of any benefit to Canadians? Why is that assumed on that side? There are many fine things that have come and will continue to come from the United States. We have more in common with that country than we have that are different. I do not think hon. members opposite should have this great fear.

What would be the result if these amendments carried? In the words of Mr. Royce Frith, counsel to KVOS-TV, before the standing committee, and I quote:

The proposal we have discussed is to allocate a minimum average of $2 million a year to Canadian program production,—

Will that $2 million be there next year if Bill C-58 passes? The answer is no. If that $2 million will not be in that market place for Canadian writers and producers, where is the improvement or benefit to Canada? It is some ethereal concept that cannot be defined by anyone on that side or, in fact, by anyone in this House. I continue the quote:

—the extension of Canadian television service, and the training of Canadian talent. These, or other objectives equally to the benefit of Canadian broadcasting, can be worked out under a plan to be approved by the Canadian Radio-Television Commission.

I challenge the parliamentary secretary or any backbench member opposite to explain to me how this proposal could fail to be of significantly greater benefit to Canadian broadcasting than the provisions of clause 3 of this bill as they are presently constituted. Anybody with that kind of reasoning can say we do not have any money to do it, we do not have a vehicle to do it, but we are going to do it anyway. It is some kind of pie in the sky wishful thinking. That is very unfortunate.

I also ask that hon. members opposite, in considering these amendments, bear in mind that Bellingham is not Buffalo, just as Vancouver is not Toronto. The government, in reaching an accommodation with *Reader's Digest*,

has demonstrated its recognition that legislation aimed at one magazine may not be applicable to another. I ask that this same willingness to differentiate specific cases be extended to the broadcasting provisions of Bill C-58. We ask only that through these amendments good citizenry is recognized and that we recognize Canadian interest, as I have previously described it in the form of development facilities and good corporate citizenship.

● (1620)

Although I have spoken at some length in support of the amendments in the name of the hon. member for Surrey-White Rock to clause 3, I trust the House will not sense any contradiction if I address myself now to my own motion which asks that Bill C-58 be amended by deleting clause 3 entirely.

While the amendments we have been discussing so far would indeed, if adopted, mitigate some of the damage done by this legislation, especially in the west, the net result for the whole of Canada would still be negative and destructive. If the government is sincere in its desire to strengthen Canadian broadcasting, the way to do that is not by inserting isolated clauses in a bill such as Bill C-58 which is primarily concerned with the medium of print. What is called for is separate legislation dealing with the entire complex and confusing issue of the Canadian television system.

The absurdity of trying to deal with this measure in isolation from the rest of the government's television policy was illustrated by the opening comments of the chairman of the Standing Committee on Broadcasting, Films and Assistance to the Arts at the hearings on December 1, 1975. He recognized the futility of such an attempt when he said:

> There is one other important point I would like to make before proceeding. Bill C-58 does not deal with commercial deletion. I want to try to limit the discussion to the subject referred to us by the House, namely, Bill C-58.
>
> It might interest the committee to know that the sub-committee on program and procedure even decided to refuse to allow an important witness to appear before our committee because he wanted to speak about that very subject.

Later the chairman underlined the point by saying:

> I shall try to prevent anyone from using the expression "commercial deletion".

In response to this ridiculous statement, my hon. friend from Kootenay West had this to say:

> I think I understand you, Mr. Chairman. I just wonder how on earth the committee can separate the intrusion of the CRTC into this situation when it is such a one package sort of deal . . .
>
> Is the steering committee suggesting to us that we must listen to the presentation by the Buffalo stations without regard to the CRTC involvement through their ruling . . .that the Buffalo stations continue to broadcast to our cablevision companies but without having the commercial content? Is that your recommendation to us? I just wonder how it is possible.

Of course there could not be any response from the chairman because he knew how right the hon. member was, and the subject was more or less dropped. The hearings continued in this emasculated fashion, forever skirting the real issue of Canada's over-all approach to U.S. border broadcasters. No one, least of all those foreign broadcasters whose future hung in the balance, came away from our committee hearings with any feeling that justice had been done or, indeed, with the belief that any effort had been made to ensure that justice be done. I think this is completely agreed upon by all members of that committee. I would be hard-pressed to imagine that any member of the committee from either side of the House could bring himself to stand up and say that a democratic committee had given a just hearing to all the witnesses who were called. I do not think they would have the audacity to say so.

Recently I had another experience of the same kind when I presented an intervention on behalf of my constituents at the CRTC hearings held earlier this month in Vancouver. The surface issue involved was an application by the CBC for a licence to operate a French language television station in Vancouver. The real issue, however, was another aspect of the CRTC's cable television regulations. I refer to sections 6 through 8 of those regulations which empower the CRTC to dictate which stations may or may not be carried by cablevision operators.

The intent of these regulations is to ensure that local Canadian broadcasters, and particularly the CBC, shall have access to exposure on cablevision. In practice, however, they ensure that only Canadian stations will be seen in the lower mainland of British Columbia. As a result it will soon be the case that the 83 per cent of Vancouver residents equipped with cable will no longer have access to American programming which constitutes the viewing preference of 56 per cent of the citizens in the area.

Not surprisingly, there has been widespread resistance and hostility toward the policies of this government agency, policies which constitute nothing less than a severe infringement on the right of freedom of choice. Indeed, these rulings by the CRTC amount to out and out censorship and appear to be part of a concerted effort by the government to remove American programming from Canadian television screens. "If deleting their commercials doesn't work," they say, "why then, we'll just cut off their advertising revenues. And if all else fails, we'll simply bump them right off Canadian cablevision systems."

In my view this can only be seen as an expression of a particularly narrow-minded form of nationalism, the expression of a sense of national inferiority. The suggestion is inherent here that Canadian broadcasting can succeed only in an atmosphere free of competition or even of influence from any outside source. This is the suggestion which I view with abhorrence. It is an idea which I reject, and one moreover which has been rejected by the vast majority of Canadians who value their freedom of choice, who value the free flow of information, and who welcome the inflow of other cultures and ideas. It is a policy which has been rejected by all who feel that culture and taste cannot, and should not, be legislated, and who believe that no government, and no agency of government, has the right to control what Canadian citizens may view or read.

This is not an issue I intend to discuss at any further length today. I wish only to make the point that clause 3 of Bill C-58 does not stand alone but is a component of the government's entire approach to broadcasting in this country. It is an approach which meets with greater and greater resistance every day in all parts of Canada; it is an approach which raises serious questions about censorship

and the freedom of choice; it is an approach which must be fully debated in this House, not as part of a bill such as the one before us which deals primarily with the publishing industry, but as an important issue in its own right.

I would say the best expression of the need for this part of the legislation to be deferred is the intervention of the minister herself. The hon. member for Ahuntsic (Mrs. Sauvé) will, I think, be a good minister. I believe she has the competence and the ability to be a good minister, given time. I think she has the competence to make fair, equitable, and just decisions, but how can anyone expect her to make decisions on the basis of the little time and information she has had since assuming her portfolio? I think we are crippling her by imposing this legislation upon her at the present time. Instead, we should give her an opportunity to bring her ideas to bear on her department, to bring her proposals on broadcasting to the House, refer them to committee and there have a full and fair discussion. This opportunity will not be afforded her. If it were to take place after this legislation is passed it would mean we would have to bring this bill back in order to wipe out this particular clause. It would be necessary for us to start all over again.

The minister said her greatest concern was that Canadians might never have the value of truly Canadian productions made with Canadian funds, by Canadian workers, and under Canadian producers. This indicates her complete lack of awareness. I do not believe the hon. lady has been west of Ottawa. If she has I would be surprised. She obviously has not been to British Columbia; she obviously has not been to KVOS-TV; she obviously has not been to Canawest Films.

I want to say to the minister: this will destroy, not create more. In 1974 there were 173 employees with Canawest Films, part-time, full-time and free lance. Who were these 173 employees? Were they some villainous Americans from the south coming to corrupt Canada? No, these were just the kind of people to whom she was referring. They were Canadian workers and producers. They were engaged in a Canadian production, even made with Canadian funds. They exported Canadian culture throughout Canada, the United States and the world.

● (1630)

What will happen to these 173 people? If you dry up the source of revenue that is subsidizing them, obviously they will cease to operate, or their operations will be considerably reduced. Is this desirable? Hardly. Ask the employees of Canawest who are writers, artists, and producers working in western Canada. Ask the would-be employees who are now hired part time. If the government would but give KVOS an opportunity to be heard by the CRTC, this would mean the potential employment of 200 additional Canadian writers and employees during the next year, with more to follow. In other words there would be massive expansion. If we pass this bill obviously this cannot happen because we have dried up the source of revenue flowing from Canadian advertising. The very thing we are trying to do is to get Canadian advertising dollars flowing to Canadian producers and writers.

As I make these points and throw them across the way, if hon. members have been listening I just do not understand how they cannot see their simple logic. The only alternatives that seem to be in place are rather unpleasant ones. What else is the government trying to do? Sometimes I feel that the government is more interested in a mini-confrontation with the United States, in trying to slap the United States in the face, than it is in our own Canadian interests, such as jobs, Canadian culture, and, the development of Canadian writers and producers. I would ask the parliamentary secretary through you, Madam Speaker, whether he has been to KVOS-TV and seen the facilities there. Has he seen what the situation is? Has he been to Canawest and talked to Canadian writers, artists, producers, film makers? He cannot even shake his head to indicate the answer is no.

Mr. Fleming: Madam Speaker, on a point of order I simply want to make it clear that nodding my head in any direction is not going to be recorded in *Hansard*. If I choose to indicate my views on any subject I shall do so properly by taking the floor.

Mr. Wenman: Madam Speaker, if the hon. member does not get a chance to answer when I am finished, I hope he will answer that one to the press. I think he is destroying something that he has not seen, that he does not know anything about, that he does not even care about. He is like the minister who said "We stand on what we do, no matter what retaliation may come, and we accept that". No matter what happens, the government does not care about writers and producers and that kind of programming. She might as well have added "We don't care what may come or what the negative results may be for British Columbia".

This is sheer arrogance. It is why we have a big delegation of ministers visiting British Columbia. The government refuses to listen and understand and the west is getting sick and tired of it. We asked the government to make a minor amendment, yet it does not even look at it and find out what it does. As a western representative it is very tiring to have this arrogant bouncing back and forth and to listen to statements like "We don't care what happens". We do care in British Columbia, as do many of the government's own backbenchers; and it is about time the government started to listen to them.

The parliamentary secretary said that one of the reasons why this bill is so appropriate, just, and fair, is that the majority of the members of the committee were from British Columbia.

An hon Member: No, that is not so.

Mr. Wenman: Well, certainly there were a lot of members from British Columbia on the committee. However, Madam Speaker, having sat through the committee hearings as one member from British Columbia I can assure you that I was not given my full opportunity to speak and to ask questions, but was cut off time and time again, as were members on the government's own backbenches. I want it recorded in *Hansard* that my time was limited, restricted, and cut off; that there was no just and fair hearing.

Hon. members talk about BC-TV, and here we have agreement. Perhaps I can just mention some of the matters upon which we are agreed. I want to see British Columbia television grow. I want to support British Columbia televi-

sion and see it expand. I want to see new television stations operating in British Columbia. I want to see the dial expanded and British Columbia move toward converter systems so that freedom of choice is enlarged and there is full and adequate outlet for the cultural expression of Canadians. Certainly I support this move, but I have demonstrated very clearly that this is not going to happen if this bill is passed. As a matter of fact exactly the opposite will happen because the money will not be available.

The parliamentary secretary also made some misstatements. He talked about apples and oranges and tried to compare them and make them the same. He compared KVOS indirectly with a Mexican station.

[*Translation*]

Mr. Leblanc (Laurier): Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Morin): The hon. member for Laurier (Mr. Leblanc) on a point of order.

Mr. Leblanc (Laurier): Madam Speaker, it seems to me the hon. member who now has the floor is discussing many topics which are not germane to the bill now before the House, and I know how strict you are in that regard. That is why I wish to draw your attention to the fact that he could perhaps discuss the bill instead of the provinces, one by one, the parliamentary secretaries and so on.

The Acting Speaker (Mrs. Morin): Order. Might I remind the hon. member that we are now studying Motions Nos. 7, 8, 9, 10 and 11 which deal with radio and television broadcasting. The subject if very broad and I feel the hon. member has stayed within the scope of the motions before the House.

[*English*]

Mr. Wenman: Might I commend Madam Speaker for her ruling. I have always found her to be just and fair, and she has demonstrated once again that I was answering the comments made by the hon. member's own colleague, the parliamentary secretary. I was commenting on what he had said. If I am irrelevant then he is even more irrelevant for bringing those matters forward. It was he who brought forward the question of the Mexican television station. The point I am making concerns the difference between a Mexican television station and KVOS. In one case you have a corporate citizen. There is a vast difference between a corporate citizen such as KVOS-TV, which develops Canadian talent, and a Mexican station. I think he should recognize that.

Then the hon. member talked about the unfairness of the FCC in the United States. Every time that the FCC has made a ruling and developed some new policy, it has followed that policy firmly. It does not destroy existing institutions; I defy the hon. member to find one example where it has. It would write in a grandfather clause for a good corporate citizen. That is the sort of thing we should look at, but we only have the right to be heard.

Then he said, "KVOS-TV, where have you been? How come all of a sudden they are on the scene?" I am afraid that the reason he does not know that they were on the scene is that he was not on the scene. They were on the scene. They were here in 1971 with a major presentation, but the problem was that they could not be heard. The CRTC said, "We are sorry, we are not able to hear your proposal". They came but they were not heard. The hon. member asked where they were, and I am telling him. Yet in spite of not being heard they have stated they have faith in Canada and in its artists and writers, and they went back and created a company known as Canawest with their advertising revenue. They did so without anyone telling them they must. They did so because they were good corporate citizens. They subsidized it and it continues to be subsidized, and I think that is very much to their credit.

● (1640)

We have heard talk about the FCC and the CRTC in this regard, but let me point out that the FCC goes by the law of the market place and competition rather than by arbitrary rules and regulations such as we are attempting to establish.

There are many things that need to be said about this and I would like to take much more time, but there will be another opportunity.

An hon. Member: You are lucky.

Mr. Wenman: Yes, opportunities are getting shorter, fewer, and further between. I hope the government is listening and still believes in the democratic process. Obviously it does not believe in its backbenchers, and that is pretty clear. However, this is not on the bill, Madam Speaker, and I should get back to the bill.

I started and will conclude by saying the objective of this bill is somehow to increase the productivity of Canadian writers and producers. It is to develop Canadian culture through the infusion of capital, and capital infusion is to come from the advertising world. We have evidence to show that capital will not come as a result of this bill. We have evidence to show there will be more unemployed writers, producers, and others associated in this field because of the non-growth or the cutback or destruction of Canawest. We know at the same time that there will not be an expanded market next year for 200 more of these people. We are talking about less, and I say this is injurious.

This clause should be struck from the bill at this point and the whole matter referred to the next parliament. We have a parliamentary secretary who is keen and enthusiastic. I am sure this parliamentary secretary and his colleagues here in this parliament, along with his minister, want to do the right thing, but they need time for consideration. I should like to give them that time and that is why I know they will support my amendment, and that is why I have moved it today.

Mr. Fleming: Madam Speaker, I rise on a point of order. Pursuant to Standing Order 37, if that is the correct reference, I want to take about 30 seconds to correct two facts I referred to in my speech. First, I should like to say it is not the FCC, but the United States program producers who refuse to allow programs purchased from them to be played in Windsor in competition with the same programs on U.S. stations. Secondly, it is the Windsor TV station and not the radio station which has been ordered by the CRTC

to desist from soliciting advertising in the United States. It is the same argument, but it is TV rather than radio.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my intervention in this debate at this stage is prompted by a couple of important considerations, and these considerations were rather underlined by a comment I am almost sure I heard from the hon. Parliamentary Secretary to the President of the Privy Council (Mr. Blais) to the effect, "if you are lucky". That comment was in relation to something which did go on the record, as said by the hon. member for Fraser Valley West (Mr. Wenman), that he would be intervening to complete his argument on another occasion. This suggested to me that there was a slightly threatening tone to this comment "if you are lucky", and that is one of the considerations which prompted me to enter this debate.

One of these considerations directly concerns the wishes of my constituents as expressed to me in letters, and through the press, and the second, closely related to the present issue, even if of a general and more indirect nature, is related to the attitude of the government toward parliament, the parliamentary process, and members of parliament, whom we have heard described by the Prime Minister (Mr. Trudeau) as "nobodies". Parenthetically, I suggest if we allow things to go on unchallenged and unchanged this is exactly what we are going to be, and we will merit that designation of "nobodies".

Even the first of my reasons has an element of the second in it. I have been deluged over the past month, as I am sure all my fellow members from the island and the lower mainland have been, with letters from constituents expressing their opposition to developments that seem designed to deprive them of their TV viewing enjoyment, or at least to inhibit it—specifically, moves that will inhibit to a considerable extent their ability to see TV stations with transmitters in the United States over the receivers they now have in their homes.

What baffles me about the government, with all due respect, is its attitude toward citizen participation in the governing process. We have had dished out to us grandiloquent phrases referring to the just society. We hear little about what that just society is or was intended to be, who defined it, and how it is to be brought into being. Perhaps we have passed beyond the just society, and maybe there is no possibility of bringing it into being. We are now hearing about the new society. If that is so, we need all the help we can get to preserve the society we want, by whatever name it is called. We are not getting much justice from the government.

The whole purpose of the government, my experience both as an administrator and as a parliamentarian demonstrates clearly to me, is that with the advent of that just or new society, by whatever name it is to be called, Canadians are being told, "You just wait, you will get the society we design for you since you really do not know what kind of a society you want". This government is Edmund Burke stood on his head and transposed from the individual to the party context. This government, in its own view, was returned in the last election on the basis of specious promises and campaign slogans, not to represent those who sent it here but rather to devise what the master minds within the party feel is good for the Canadian people.

Non-Canadian Publications

This attitude can be seen in the government's every move. Take the death penalty debate, the debate within the Canadian community and not the one we can expect here in this House. There is no doubt in my mind on the strength of polls taken by fellow members of this House and by the press, and just by reading the press and my correspondence, that the general public wants the death penalty retained as part of Canada's law. My correspondence is full of such demands—

The Acting Speaker (Mrs. Morin): Order, please. I am afraid that the motions we are debating do not touch on the death penalty. Perhaps the hon. member would limit his remarks to the motions.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, I rather anticipated being called to order. I am using this simply as an illustration of the manner of the government in devising policies which the rest of this parliament is expected to concur in, and with which Canadians must live.

My next comment is, what has all this to do with the amendments to which I address myself today? Madam Speaker, you anticipated my notes. It is simply this; if the government is not aware that the people on the west coast, the lower mainland and the island anyway, do not want to lose the ability to watch the programs available on KVOS with the convenience now available to them, but will have to buy some sort of an attachment, then the government is not listening to what the people are saying.

The same applies, of course, in point of volume demand—popular demand—for the continuation of the *Reader's Digest*, with which we have been dealing. I have been deluged with letters on that matter.

● (1650)

The government forces through measures on simply this inverted concept of Edmond Burke's definition of a parliamentary representative. It is also of course a manifestation of the Liberal party's self-satisfied assurance—the overweaning arrogance of power—that it knows better than the general populace. A just society indeed! If this is the new society, God help us! Now who has been had? A just society by any definition I can think of should rest on government action that takes into account the needs and concerns of the public, and as the public itself defines those needs and concerns. This brings me to the point at issue today.

What I am urging in citing these various examples is that in this debate, and in many other debates, we should have a free vote. This is not a matter on which the government should stand or fall. The government must have its supporters to support it when it brings forth its legislative proposals, but I urge through this medium, with examples I shall cite further, that the government must take action to allow a free vote, and if it did the other parties would certainly follow suit.

This brings me to another attitude of the government which I find so unacceptable. It claims to be innovative in stimulating consideration of new ideas and in encouraging debate on these public issues. It also claims that it responds quickly and readily to the consensus arising out of this debate. I defy anyone to cite one issue that found

legislative form as a result of this process so proudly proclaimed but so arrogantly denied by the government. My experience, both here in the House and in my previous career, tells me that the very opposite course is followed. Cabinet decides the policy to be followed. The gesture of consultation is made in one form or another.

We have heard a lot about Burke. I think there is another part of Burke we sometimes forget. A little further in that statement of his he says:

> But government and legislation are matters of reason and judgment, and not of inclination; and, what sort of reason is that in which the determination precedes the discussion; . . .

That is this government's attitude.

> . . . in which one set of men deliberate . . .

That is us.

> . . . and another decide;

Mr. Blais: Madam Speaker, I rise on a point of order.

[*Translation*]

Madam Speaker, I merely wish to invite the hon. member, if he wants to discuss the legislative process, to take part in the debate tomorrow, at which time part of the legislative process will be discussed. Today, we are dealing with television and Bill C-58.

The Acting Speaker (Mrs. Morin): Indeed, I was about the call the hon. member to order for the second time but I was waiting to see if he would tie in his remarks with the motions before the House.

[*English*]

Mr. Munro (Esquimalt-Saanich): Madam Speaker, the connection between the comments I have just made I think should be obvious to all in this House. I have said that many letters have been received. I have not given the exact number but I suggest all of us have received innumerable letters urging that this legislation be not passed. Therefore I call for a free vote so that all members in this House may respond in the manner in which Burke urged we respond to the representations made to us by our constituents.

An hon. Member: It won't work because they have no conscience.

Mr. Munro (Esquimalt-Saanich): I suppose that is the situation. I am sure that if we all went through our correspondence and archives and counted the number of letters we have received, certainly from British Columbia, in opposition to this particular legislation, we would find that the number is considerable. I include members from the opposite side, some of whom have had the courage to stand up and defy the party whip. We should all be able to stand up and defy the whip when we are here to represent the views of our constituents.

This is the connection I am making. I am using this particular material simply as an example of the sort of legislative process that would be meaningful to the Canadian people who sent us here, because I am satisfied the Canadian people are becoming more and more disillusioned with parliament. They have asked us to come here, look at the problems which concern them, and try to find solutions. We are not doing this because of the over-weaning confidence of a government which refuses to listen to what the populace is saying.

We have dealt with the *Reader's Digest*. We found there was a shift in parliament. I do not think it was in response to any appeal from the public. I do not remember any 80 per cent notion being brought to my attention. There was merely a desire to continue to have *Reader's Digest*. It is the decision of this particular government that it knows better than anyone else, and that the people do not matter. I insist that the last election which put the government into power offered no five-year mandate to the majority party to force its will on the public.

The public will can express itself differently on different issues at different times. Let that be reflected by members as they respond to what they hear from their ridings. They should vote on issues that are of concern to their ridings and if they should be wrong more often than right, then let them live by the consequences of that when they face the electorate the next time around. They should be good parliamentarians and should not be a bunch of sheep or seals. If the government wants to be truly innovative it could begin with this bill and allow a free vote and abide by the consequences. I should like to see a start made in this direction now.

With regard to the bill itself and the amendments and what they provide, the hon. member for Surrey-White Rock (Mr. Friesen) has introduced a number of amendments which reflect truly the correspondence he and I have been receiving from the listeners and watchers in southern British Columbia asking that they be given ready access to programs of their choice. I support these amendments.

The UHF attachments that would be required to capture these transmissions may, in the course of time, become unnecessary. New developments may occur in television technology which would permit a wider spectrum of listening capability, but likely there is an attachment which is required, and which is almost more expensive than the sets themselves. I think we should respond to the demands our electors make upon us. The suggestion I have made is that here is a starting point in terms of a free vote. It cannot be carried through to all legislation obviously, it cannot be carried to the budget, it cannot be carried to the speech from the Throne. There are a number of matters that the government should put forward on which it should say, "We stand or fall on this." If it can get the whips on and keep them on, fine, but let the members stand up, speak for their constituents, and live by the consequences.

● (1700)

Mr. Arnold Malone (Battle River): Madam Speaker, it was once said in this country by a person uncertain of his stature that the government has no business in the bedrooms of the nation. One would be amazed to learn now that the same government which made that statement now feels it can tinker with the minds of the citizens.

To make an analysis of what is happening with the bill which might be amended, one might simply say that the bill as it now stands without amendment is heading in the opposite direction to the one it should be taking. Certainly one of the things we no longer hear about is people getting scurvy when travelling across the ocean from the old world

to the new. You can make that trip now in less than a few hours. The Concorde has it down to about half the time it used to take. We live in a world that is condensed and shrinking, and I submit that if we are ever to have peace or understanding in the world in which we are living we need not a constriction of communications but in fact an expansion of them. As a nation we should be trying not only to extend to the United States but to virtually every country and culture which exists in this world.

I submit that if there is anything that we need in our living rooms it is a bigger dial on our TV sets. To take a position, for whatever reasons, that we ought to be cutting back and watching fewer programs is simply a step in the wrong direction and does not take into consideration the world in which we are living.

On that theme I would like to express some thoughts which demonstrate that in the last couple of decades we have been living in a world that is different. Let us take, for example, the resistance in the United States of the young people to the Viet Nam war. We see here a very unique and interesting concept. It was the first war in history against which the citizens of one of the combatting nations rose, the first war which was the cause of opposition to a government which was trying to tell its people that they should involve themselves in that war. It was also the first war in history which the people watched day by day and night by night in the living rooms of their homes.

I submit that what has happened is a cultural change and a change in attitudes which took place because of television. I also submit that one of the things that should be happening in Canada is that we should have more communications coming in, not just from the United States, not just from Canada or from the north European countries, but from virtually every corner of the world.

Let us take a look at some of the situations at present. I suggest that the government has no business trying to restrict, control or shape the minds of its citizens. If we take a look at the border stations that are giving service to Canada—I think we have to underscore that it is a service that they are providing—we find that we are getting a service which we are purchasing in the same way in which we purchase products or any other services that are imported from another country. One of the agreements we have when we bring in products or services from another country is that one pays for them. We also have an agreement under GATT that we should not tax a product once it is imported. But that is in effect what this bill is doing.

Under this bill we are importing a service from another country, and then when it gets here we propose to apply a tax to it. It is inconsistent to suggest that Canadians who have the privilege of living next to a friendly and important country should simply overlook the spirit of GATT, bring in a service which is supplied to Canadians, and then place a tax on it. I make that statement in the sense that I think there is a marked difference between a government which questions where we are going and one which is intent on destroying the traditions that made up the fabric of our past.

It is one thing for any government to say that it may want to change the direction in which the country was going, but that is not what is happening. This government is saying "let us destroy what we had." In effect what would happen is that irrespective of the feelings of many people who have watched, in some cases for more than two decades, programs with which they have become associated, irrespective of all the traditions in the past, stations such as KVOS in Vancouver, or other border stations in Canada, will be destroyed.

It is the wrong position for the government to take, even if it is of the view that things should be changed in the future. One might respect the notion that one should look at the situation and make recommendations for a new and different future, but it is quite different to cancel out and take a hard line on all that has gone on before.

So we have a situation where we need to broaden our scope and our understanding of the world. We note that television should be a service like any other service in the spirit of GATT, but I wish to put forward the view that there is an inconsistency in the government's position which is so striking that it really confuses me to think that in good conscience it can take a position against the border stations while at the same time allowing its own CBC stations to commit the same sins for which it is branding others. In effect it is saying that KVOS, to be specific a station which has a gross income of around $22 million per year, 20 per cent of which stays in Canada, which means that $17.6 million goes to the United States, is not acting in conformity with the regulations and the government will pass legislation to prohibit that station, when in fact the government's own CBC imports $35 million worth of American programs into the country.

The government may look at the mirror, but all it will see is its hypocrisy not only in this legislation but in other pieces of legislation. The truth of the matter is that all TV stations in Canada spent considerable amounts of money bringing foreign products into this country. To take the position that some of the border stations should be condemned for doing what all of us are doing is simply inconsistent, especially when we note that stations such as KVOS have made such an effort to be good Canadian citizens. It was that station which put many Canadian programs on the air.

● (1710)

It was that same station which established—and in part in my home province of Alberta—Canawest, a film company which not only makes animated films for Canadian advertising but also sells them into the United States and into other countries of the world. It has also done a tremendous job as a good corporate citizen, yet the kettle is calling the pot black, or vice-versa, on the notion that it is of the opinion that it wants to kill, censor, and stop border stations from doing the same thing that its own government-run operation does with regard to other Canadian television stations.

I should like to refer to something which has previously been referred to, and that is that in many cases the citizens who listen to these stations do so because they want to listen to them. It amazes me that any government would say, "We do not care what you want; we know what is good for you." It is amazing that any government dealing with matters affecting the minds of people and what they choose by way of entertainment should try to make those

matters subject to the government's position that, although people might like something else, the government really knows what they ought to have.

The amendments put forward simply stop us from overstepping or overstating the position. It might be one thing to take a new direction for the future, but it is quite another to cancel out all the institutions and traditions of citizens. The government should take a second look at this matter, not necessarily at the principle it has put forward, but at the notion of uprooting. Obviously there is a difference between pulling people out from their traditions and changing the direction which affects our future, but the government has not recognized that.

Irrespective of the feelings of the people, the government will do what it thinks is right. If that is the attitude of the government, then why does it not be honest with the Canadian people and tell them to save their eight cent stamps, to quit writing and phoning, because the government does not listen anyway? Why does the government not simply take the honest approach and say that it makes the decisions and the people should not bother writing? If the government were at all sensitive it would know that the vast majority of people, especially in southern British Columbia, are extremely opposed to the bill in its present form.

It would be a simple thing to pass an amendment and achieve the desired result without destroying the principle of what the government is intent on doing, that is, to change the direction for the future. But the government need not uproot the trends of the past. I say that because some of these stations have proved their corporate citizenship to an immeasurably high degree.

There is an inconsistency with regard to how the government has treated publications as opposed to broadcasting. With regard to publications there is a clause which says that, if publishers meet certain requirements, they are accepted as Canadian; yet there is a blanket condemnation of the broadcasting industry. When did the government obtain the wisdom, the right or the privilege to say that certain principles exist for the publishing industry, but there will be different principles for broadcasting? That is an unacceptable position.

If some sense of policy and direction is to be put forward for the nation, one of the factors ought to be consistency. Publishers are told that if they meet certain requirements they will be accepted. The government took it upon itself to say that even though *Reader's Digest* formerly did not meet the requirements, it is now accepted. Then with regard to the broadcasting industry the government said that United States border stations cannot broadcast into Canada, irrespective of how much they pay in taxes, how well they have performed as corporate citizens, or how many shares are owned by Canadians. That is a blanket condemnation.

I challenge any hon. member on the government side to tell this House where the government gets its guiding light to make decisions which have so many internal conflicts, and why, while one position can be taken, another cannot.

[Mr. Malone.]

That must be answered, and it certainly has not been up to the present.

Even if the government were strongly bent on its intent that there be no broadcasting into Canada from the United States and that it will curtail such broadcasting, this approach will not work because people choose information, listening, and entertainment according to their personal preferences. They will continue to listen to the stations of their choice and to buy advertising on stations which have the largest audiences, be it KVOS in Vancouver or the border stations here in central Canada. Without the amendment and leaving the bill as it is the government still defeats its position because the citizens will still listen to the same stations. That has been established. Surveys have demonstrated they will. Therefore advertisers will pay because they will buy where there is a market.

On the one hand we have a piece of legislation which is inconsistent and which suggests that no attention be paid to the wishes of citizens, and on the other hand, even if implemented with all these evils attached, this legislation does not achieve the purpose it set out to do.

Canada and the United States share the longest free border in the world. This country has a history of continually agitating our most friendly partner. We have trade agreements and many associations, and yet here we have another piece of legislation which does not seek to extend a spirit of co-operation, but seeks to clash directly with the nation with which we should be seeking to be the most friendly.

It was mentioned earlier by an hon. member of the New Democratic Party that there is not enough broadcasting into the United States, and therefore why should we be accepting American broadcasting into Canada. I agree with that position, but I think it is wrong to say that we ought to be cutting the Americans off. We should be doing just the opposite. We should be lobbying and doing everything in our power to ensure that in broadcasting and in the extension of our culture we reach more and more of the American market.

If the Liberal government is really intent on developing artists in this country and on extending our publishing and broadcasting activities, should we not extend our market from 20 million people to something near 250 million people? If we really want to extend opportunity and allow Canadian television corporations, companies, and influences to grow, then we should not cut off the market and make it smaller; we should make the market bigger, and that is just the opposite to what is proposed by the bill.

● (1720)

Whatever the intent of the legislation might have been, the fact is that it achieves the opposite. If the government wishes to have legislation that protects the broadcasting industry in this country it ought to do everything possible to open up the border and make arrangements with the United States for them to accept considerably more Canadian productions.

The Acting Speaker (Mrs. Morin): Order, please. I regret I have to inform the hon. member that his time has now expired.

Mr. Allan B. McKinnon (Victoria): Madam Speaker, I am pleased to be able to speak this afternoon in this debate on broadcasting and television on the west coast and on the border between Detroit and Windsor, and Toronto and Buffalo.

Those of us from the west coast cannot think of television without becoming immersed in the debate that is going on among our constituents as to the advisability of the course of action to be taken by Bill C-58 as well as the recent CRTC hearings on the west coast. As we all know those hearings have been left in a state of suspended animation awaiting the outcome of an appeal against the decision of Mr. Justice Dubé concerning the right of Capital City Co-operative to challenge Victoria Cablevision Company, the present holder of the franchise for cablevision in Victoria. Everything on the west coast appears to have come to a halt pending the result of that appeal, as far as changes in cablevision, television, and radio are concerned. I would have preferred the CRTC to continue its hearings as I believe this bill is tied in with them.

When one speaks to people on the west coast about the loss of the channels they are accustomed to watching from Portland, Seattle, and Tacoma the conversation usually gets around to KVOS. People invariably say that the government is going to look after that with Bill C-58. This is the kind of flying in the face of public opinion which leads to our constituents feeling they are not being considered, and this bill is an example of that.

I was interested in the answers given by the Minister of Communications (Mrs. Sauvé) during question period the other day to my colleague, the hon. member for Esquimalt-Saanich (Mr. Munro). She seemed to think the entire problem was in Vancouver, but the CRTC difficulties concern Victoria cablevision. I do not think it is any secret that Victoria is in a prime position regarding two things in Canada—one is good weather and the other is good television.

This good television on the west coast is a blessing and that did not come about because of the free broadcasts of the Canadian Broadcasting Corporation; it came about because Canadians wanted to watch stations other than the CBC. On the west coast, without cable we can watch channel 2, the CBC station in Vancouver; channel 6, a station which broadcasts largely CBC programs in Victoria, and CTV on channel 8. If these are the great disseminators of information and entertainment that they pretend to be, one would assume that a cablevision company would have had a hard time getting people to pay, but this is not the case. Cablevision in Victoria and Vancouver consistently presents 10 or 11 good channels for viewing, and the programs offered are the ones that the people in the area want.

There was a time when I was a proud supporter of Canadian television in that I thought it was usually in better taste than the television that flowed across the border into the Toronto area, or the Niagara Peninsula or Windsor areas, and some into the area of Vancouver. That is no longer my opinion. By chance, as I was listening to the debate earlier this afternoon, I was trying to sign some correspondence and came across a letter from a constituent dated January 25, 1976. This is what she says:

Dear Mr. McKinnon:

May I ask you to protest on our behalf the program re contraceptives on TV-CBC news Saturday night, January 24, 1976. This disgusting program beamed into our homes was paid for by our money! It is absolutely impossible to understand the mentality and dishonesty of the program's producer, i.e., CBC and we wish to make our objection fully known.

Yours truly,

I get many letters like that. The point I am trying to make is that the plan of the government appears to be to give us less and less choice of what we watch in our homes. If Bill C-58 should pass without amendment it would limit us even further.

There are many things that bother me about this bill and I should like to mention one of them now. That is the very integrity of this House and of Canada. We are debating the broadcasting portion of Bill C-58. If this were to pass without amendment we would destroy services enjoyed by Canadian citizens for over 20 years. I am not saying it is all good or all bad, but there should be a reason to do so in Canada's best interest.

No one in this House can say that the *Time* and *Reader's Digest* portion of this bill has not so obscured the broadcasting section that no in-depth analyses of broadcasts have been made by members of the House and the press.

Again and again we hear in the corridors, in the caucus, and read in the newspapers descriptions of Bill C-58 as the publishing bill, or *Time* and *Reader's Digest* bill. In some circles it is known as the Maclean-Hunter monoply bill. But I say to you, Madam Speaker, that this portion of Bill C-58 will affect more directly the lives of millions of Canadian citizens than the publishing side ever will.

I spoke of the integrity of Canada and this House. Let me list some points. First, we are accepting a service from the United States stations that our citizens want. This has been amply demonstrated in British Columbia in recent weeks and at the CRTC meeting in Vancouver. As a citizen of Canada I say that if we take the service we have to pay for it; otherwise, we have to turn down the service. Then what howls we would get from one end of the country to the other! That is how important our constituents think this is.

Second, has anyone from either side of the aisle taken the time to analyse this bill and this portion of it from the trade point of view? I do not think we have, and we are remiss in not doing so. There is a basic difference between publishing and broadcasting. Publishing, that is *Time* and *Reader's Digest*, is clearly a Canadian industry. The publishing, printing, and circulation is done within Canada. In publishing we are dealing which an internal tax. Broadcasting is an imported service. It is imported into the Detroit area from stations in Windsor, and into Toronto and Vancouver from stations in Buffalo and Bellingham.

Again I refer to our integrity. Have we analysed the Canadian signed agreements under GATT? We have agreed as a sovereign nation that we will place no tax on imported products, which can be defined also as services, to the detriment of the imported product over a domestic product. The broadcasting portion of this bill is not imposing an internal tax, but rather under agreements we have signed it is a subverted tariff. That is what the British Columbia lumber industry has been trying to tell the Canadian parliament this week when it speaks of retaliatory legislation. When we give up our integrity we can expect a reaction from any government involved. We in this House, and Canada as a whole, would do the same.

I would also caution the members of this House to read the U.S. Trade Reform Act of 1974, an act of the U.S. Congress. It has made news in Canadian newspapers over the past weeks in various pieces of correspondence referring to the broadcasting portion of Bill C-58, with correspondence between the U.S. Senate Commerce Committee and the U.S. Secretary of State bringing up the very points I am making here.

I wish to read an excerpt from a letter addressed to the Hon. Henry A. Kissinger, Secretary of State, Washington, D.C. It is signed by Warren G. Magnusen of the United States Senate and Henry M. Jackson of the United States Senate. I do not intend to read it all. There is one paragraph, however, that is pertinent to the amendment before us. I quote:

● (1730)

Dear Mr. Secretary:

Thank you for your recent acknowledgment of our correspondence regarding the harm experienced by United States television stations situated near the Canadian border caused by governmental actions taken or contemplated in that country. Unfortunately, we do not believe the Department of State's response to this problem has been adequate to date.

Your letter of September 29, 1975, failed to give an opinion on the four points we suggested in our letter to you of September 9: (1) Actions which injure United States broadcast stations carried on Canadian cable systems injure Canadian viewers; (2) United States broadcasting interests are indirectly subsidizing current Canadian domestic television production; (3) Canada is injuring its own business community by discriminating against United States advertising media; (4) the Canadian policies are trade discriminations against United States exports of advertising services.

When the bill has doubtful benefits, when it clearly contravenes existing commitments, and when retaliatory laws will naturally flow between two of the world's largest and closest trading partners, I think we need at the very least to leave an opening for mature negotiation, which is all these amendments do. It is what we would expect of our friends and what they have a right to expect of us.

How much money are we talking about anyway? It is $22 million, of which 20 per cent stays in Canada through agency and sales commissions to Canadian firms. That leaves $17.6 million. Do hon. members realize that we buy and sustain our Canadian broadcasting system on $35 million worth of U.S. film shows every year? If the U.S. put a 100 per cent excise or export tax on those films we would still have to buy the shows anyway—they are cheaper and get more audience than most Canadian productions—but we would negate the effects of this bill, costing our broadcasting stations an extra $17.5 million rather than getting that amount back. Believe me, most of the money now going to U.S. stations will not go to Canadian broadcasters just because of C-58.

This is the time for sober last thoughts. Our integrity and good sense are at stake. Let us accept the amendment to clause 3, non grandfathering anyone into any situation, but merely permitting negotiation where, if the negotiated settlement is better for Canada than the punitive effects of Bill C-58, Canada is not precluded from accepting the negotiated settlement.

I wish to speak for a few minutes on the use of United States material. One of the bizarre effects of Bill C-58 is to be able to double-think. One can pick up this ability from the book "1984" by George Orwell. If you study that bill you might better understand what I have to say about U.S. material.

[Mr. McKinnon.]

We condemn *Time* Canada because they bring in editorial matter from the United States and we say that is bad because this makes for low cost competition to Canadian periodicals that must research and write all their own material, yet at the same time, in broadcasting, the Canadian broadcasting industry exists on U.S. product. The Canadian cable industry exists at a $120 million plus gross purely on the importation of U.S. signals. Without these signals there would be no reason for the Canadian cable industry to be in existence.

The independent Canadian stations and the CTV network exist on the exploitation of American programs already paid for by the networks and the stations against whom this bill is aimed. *Canadian Trade and Commerce Magazine 1975* has some interesting facts on this. I quote:

The business of private television is to make money. This is less a concern of the CBC which has been supplied with a key to the public treasury.

And the fiscal facts of life are these: all the popular U.S. imports make money for the two Canadian networks: all major Canadian produced shows are heavy money losers.

"All in the Family" cost the CBC network $2,000 a week last season and brought in revenues of $24,000. "Rhoda," "Mary Tyler Moore", "Maude," "Chico and the Man," and, "Mash," all pull in the revenue.

The CTV network paid $4,000 a week for "Ironside", and "Harry-O" and each produced revenues of $46,000. The highly popular, "Kojak", cost the network $4,000 a week and yielded revenues of $46,000. "Marcus Welby", "Streets of San Francisco," "Medical Centre" and "Nakia", brought similar returns.

The CBC's most popular Canadian produced show ran up a weekly loss of $72,000 a week. "The Beachcombers", dropped $41,000 a week. That's the price the taxpayers pay for Canadian content. The CTV's Montreal-based situation comedy, "Excuse My French", cost $30,000 a week and returned revenue of $16,000 a week.

Canadian content . . . has little value in the market place. Advertisers shun it like the plague and viewers switch channels. Mediocrity is just not a saleable product.

It is a question of how much we are willing to pay our local artists. I am willing to pay a certain amount, but I do not think it should be at the exclusion of what we wish to see, laudable though the aim may be of supporting Canadian talent. The avenue of supporting Canadian talent should not be by depriving listeners and viewers of what they want to see.

I wish to point out a few programs regularly carried over KVOS which will likely be severely hampered if not put off the air by this legislation. First, there are the children's programs during the day. Most kids in British Columbia have grown up on these. From four o'clock until 5:30 every afternoon, there is "Funorama". Other shows include "Merv Griffin," "Mike Douglas", "Dinah Shore", "Candid Camera", plus all the top CBS programs including NFL football and NBA basketball. Why should we object to those programs? NFL football is one of the mainstays of the CBC.

The popular hour shows on KVOS are "All in the Family", "Rhoda", "Phyllis", "Maude", "Doc", "Bob Newhart", "Carol Burnett" and documentaries such as in CBS Reports", "Channel 12 Special", "Page 12," "Anchor" and "Outlook", all the CBS specials, which average two or

three a week, plus news and news specials. This is not all. It is just a smattering of what B.C. citizens want to view.

These amendments seem to be well-founded. I see no reason why we in British Columbia should not have an opportunity to watch the kind of television we want to watch.

We are having other difficulties there. Somebody in government or one of the agents of government, the CBC or CRTC, have plans for the viewing edification of people on the west coast which are extremely unpopular.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

● (1740)

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in addressing myself specifically to the amendment to Bill C-58 concerning television I find myself obliged to address myself to the speech made last evening by the Minister of Communications (Mrs. Sauvé).

I must say I listened with stunned amazement to the words of the minister. I felt there was only one course of action I could take, and that was to seek an opportunity such as I now have to respond to the some of the specious and shallow arguments she presented—I feel, by the way, that I am dealing with her remarks in a most generous manner.

Perhaps it would be best to deal with her address piece by piece. I begin by referring to her words in the first paragraph—"all these amendments aim, more or less, at granting special status to a foreign radio station." Apart from the fact that the word foreign is used to constitute a minor but insidious put-down—and I think this has all been very carefully orchestrated—let us talk about what KVOS has done with reference to taxation. If any special status was granted, why was the federal Department of National Revenue so pleased to participate in arrangements for such special status?

Why was the treasury so keen to obtain some of the revenue which was generated, funds which could just as easily have gone to the United States? No. KVOS is a Canadian subsidiary and during the period from 1964, I think it was, to date, it has contributed some $76 million to the revenue of Canada. I would say, Madam Speaker, that this particular station granted a special status to the Minister of National Revenue (Mr. Cullen). There was an arrangement worked out between the Canadian revenue department and the United States revenue service. And that is special status! Other examples of a similar kind could be cited.

The minister then went on to say:

All the measures which are included in each of these amendments make possible the exploitation of the Canadian market by an American station—and this is precisely what is happening in the situation we are now discussing: American stations are coming here to exploit the Canadian market.

Well, really! If we are going to talk about exploitation I suggest that the hon. member for York West (Mr. Fleming) address himself to certain facts which he was careful to avoid mentioning in his speech today, and advise the House of just how much money the CBC has taken out of the United States through its radio station facilities in Windsor. If we are going to talk about exploitation, I would say that $5 million is exploitation. That is a pretty fair chunk of money. But the hon. member was very careful to avoid mentioning that.

Mr. Fleming: The owner agrees not to do it any longer.

Mr. Brisco: If the parliamentary secretary wishes to speak he will have an opportunity to do so. I am calling attention to something he failed to mention. Later on in her speech the minister said that the measures proposed by members of the opposition would certainly be contrary to the purposes of the Broadcasting Act. Madam Speaker, as late as last week the provision of the Broadcasting Act were infringed upon at a hearing of the CRTC in Vancouver. What is sauce for the goose is sauce for the gander.

We also saw last week an application by the CBC to establish a television station in Vancouver. That government body, the CBC, violated the regulations, violated the Criminal Code, and violated the Broadcasting Act by erecting a tower three months in advance of that hearing without ever applying to the CRTC. If we are talking about violations of the Broadcasting Act, let us consider the whole scheme of things. The CRTC violates its own regulations every day, and so does the CBC. The trouble is that members on the other side never bother to notice these things.

Look at pages 14 to 17 of the information presented to those members who are interested in what happens to KVOS. Consider the responsibilities of this station with reference to codes of ethics, the amount of advertising allowed during children's programs, and so on. This is the big, corporate, rip-off giant, this foreign company to which the minister referred.

Immediately upon receipt of information that Canadian-based stations would be under new regulations to program less commercials per hour in programs aimed primarily at children, KVOS-TV (B.C.) Ltd officials advised the CRTC in writing that the station would voluntarily adhere to these regulations . . . We are now programming under those guidelines.

Hon. members opposite may say: so what? Well, they could have acted quite differently.

KVOS-TV has for 20 years voluntarily followed all restrictions that Canadian-based stations have in the broadcast treatment of Canadian elections and election news.

Now, with regard to the wording of commercials.

When writing for and/or filming commercials for Canadian or Canadian-distributed products or services, both federal and provincial laws, regulations and codes are adhered to.

The station adheres to the stricter of Canadian or United States codes. For example, it schedules a minimum of two minutes less commercials per hour in the 6 p.m. to 11 p.m. period than do Canadian privately-owned stations. This is the nasty menace which has been referred to by the Minister of Communications. The hon. lady then went on to refer to tolerance. She said:

In practice, because of our tolerance, those TV stations operate in a country where, we must admit, they are not even licensed.

I ask; what tolerance? Tolerance to KVOS? Perhaps we should set the record straight. This afternoon the hon. member for York West made some high-sounding statements which do not stand up under close scrutiny. He said

that U.S. cable discriminates against Canadian television signals. He takes this from the CAB brief. If that is the type of research the CAB has done, I wonder about the rest of their submissions. The fact of the matter is that the FCC does not discriminate against Canadian television signals, and I challenge any member of the House to prove to the contrary. It treats all signals, U.S. and Canadian, alike. I think that had better be underlined, Madam Speaker. It treats all signals, U.S. and Canadian, alike.

● (1750)

It is indeed unfortunate that if this bill passes without amendment we will not be in a position to say the same thing. It is indeed unfortunate that the words of the minister last night imply that it will not be the same. The FCC sets rules for local and distant stations, protecting in a very limited form local stations from distant United States or Canadian stations. The protection is exactly the same. That is a sensible thing. I accept it and I think anyone who applies any reason would accept it. Of course the local station should be protected.

Let me put it another way. If I were the operator of a television station on the U.S. border I would want the Canadian government and the CRTC to treat my signals in exactly the same way the United States treats Canadian television signals. That would be all I would ask. Frankly, that is all KVOS is asking for, but I am afraid the message has just not got through to those on the other side.

Mr. Paproski: Never will.

Mr. Brisco: Precisely. Their mind is made up and they don't want to be confused with the facts.

The minister went on to state:

Traditionally our country has no frontiers and obviously, when dealing with air waves, it is still more difficult to mark the boundaries.

I could not agree with the minister more. That is a tradition that Canadians are proud of and should be proud of. I think it is a tradition many Americans are proud of. In a very real sense the people of Kootenay West are very much aware of this, perhaps more than many members of the House, because of the close liaison we have and enjoy with our American neighbours. After all, the southern boundary of my riding forms the 49th parallel.

Before we had the benefit of any signal from the CBC we received television from the United States. We did not have the CBC prior to the U.S. station in Spokane. We asked for it and we are still asking for it. Heavenly days, half of my riding, geographically speaking, receives no television signal! I asked for service in Vancouver but the CRTC and CBC, working in collusion, concern themselves only with one thing, which is establishing a French language station in Vancouver and to hell with the rest of British Columbia and those people who have no television or radio. They could not care less; they have their blinkers on. The same is true here.

I ask, where are the government's priorities? I have no objection to a French language station in Vancouver. Indeed I would welcome it. Perhaps it would help me learn our second language in Canada. Well, perhaps I should say one of our official languages in Canada. I am sorry I referred to it as a second language because it is not; it is one of the two official languages, but I am a westerner and I suppose I think as a westerner.

Perhaps I am digressing for a moment, but let me make this point. Does the House not think that the government's priorities are mixed when it wants to spend $3 million on a television station that the majority of the people of British Columbia do not want, when it wants to force it down their throats, yet the government is not prepared to spend the same amount of money on the provision of radio and television services for the hamlets and small communities of British Columbia that have no signals? These communities are then jumped on because they establish their own pirate stations. What kind of blind thinking is this? This is the reason why the Prime Minister (Mr. Trudeau) is in Vancouver with his cabinet today. They are trying to straighten out the way they have alienated western Canada, and the chickens are coming home to roost.

To get back to this bill, what I am trying to point out is that simply because there are U.S. television stations sitting on the border is no reason why the government should suddenly be so concerned about these horrible monsters. Quite frankly, we have been damned glad to have them. Heavenly days, if we had not had them the birth rate in Kootenay West would have multiplied out of hand!

With regard to motion No. 7, the minister said that the Canadian television and radio industry is in a precarious situation in many ways. Once again the minister made a statement with which I heartily concur. But I have only just reviewed one of the reasons why Canadian television and radio is in such a precarious position. It is not that it has not got the dollars; it is the manner in which those dollars are spent. This is what inflames and irritates so many Canadians. Until the government, the CBC and the CRTC get their priorities straightened out, that inflammation will continue. It will be a boil on the side of the federal government that can only be cured by a darned good lancing.

The minister spoke last night about protection. She said that above all there cannot be any possibility for us to protect the income of the many Canadian actors, artists, and artisans involved in the professions related to television and radio. That is precisely what we are trying to do, protect the jobs of people working for a Canadian company in Vancouver. But this bill would deny them the right to work. The government wants to cancel the whole thing out and start all over again with its own grandiose schemes which have never worked. At the moment we have something that works. It is paying good tax dollars to the government and employing Canadians who are happy with their jobs. Yet the government is not satisfied. It wants to remove them and to start all over again with its own ball of wax. We have seen this happen before with the Secretary of State (Mr. Faulkner), and quite frankly he just messes his nest. I should like to call it six o'clock so that I can continue, Madam Speaker.

The Acting Speaker (Mrs. Morin): Order. This House stands adjourned until tomorrow at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 12, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT ADMINISTRATION

PROPOSED REPORT BY PRIME MINISTER ON TRIP TO BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to Standing Order 43, I ask for the unanimous consent of the House to present a motion on a matter of urgent and pressing necessity.

Since the Prime Minister and about ten of his ministers are paying a one week's visit to British Columbia while the House is peacefully in session, and since British Columbia has been administered for several decades by Social Credit governments, which accounts for the fact that that province is ahead of many Canadian provinces as far as the prosperity of its people is concerned, I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House immediately consider the opportunity of asking the Prime Minister as soon as he returns from his training session in administration and management by the Social Credit government of British Columbia to table in the House a complete report about all he has learned about efficient administration, so that all Liberal backbenchers who were unable to take the trip may profit from the British Columbia experience.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: Since there is not unanimous consent, the motion cannot be put.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

PROPOSED INVESTIGATION OF POSSIBLE OFFENCE AGAINST FOREIGN ENLISTMENT ACT—MOTION UNDER S.O. 43

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. It appears that Security Advisory Services of the United Kingdom is the body recruiting mercenaries in England for service in Angola with funds provided by the CIA. This organization has caused an advertisement to be put in the *Globe and Mail* of February 10, 1976, in effect seeking to enlist the services of Canadians as mercenaries, contrary to the provisions of the Foreign Enlistment Act, section 11, which prohibits any person from recruiting or otherwise inducing any person to enlist in armed services operating in another state.

Therefore, and in view of the resolution passed by this House opposing all armed intervention in Angola, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That the Minister of Justice (Mr. Basford) be directed to investigate this matter forthwith and if the facts disclose an offence or offences against the Foreign Enlistment Act, to take the necessary proceedings.

Mr. Speaker: Order. Pursuant to Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

SUGGESTED DIRECTION TO ENERGY BOARD TO EXAMINE ALL EVIDENCE TO ENSURE SAFETY OF TRANS-CANADA PIPELINE—MOTION UNDER S.O. 43

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the evidence produced by a former safety inspector for Trans-Canada Pipelines and offered to the National Energy Board by the CTV television network to substantiate allegations that welding done on substantial sections of the Trans-Canada pipeline running through Manitoba and Ontario are of such poor quality as to constitute a safety hazard has yet to be examined by the National Energy Board, although it is freely available, and further that the chairman of the National Energy Board, Marshall Crowe, has issued a press release expressing his complete confidence in the safety of the line without having examined the evidence, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That this House directs the Minister of Energy, Mines and Resources (Mr. Gillespie) in his responsibility for the National Energy Board, to instruct the chairman of the Board itself to examine any evidence offered to them by the CTV television network to assure the safety of the Trans-Canada pipeline beyond any reasonable doubt, before any further reports are released by the Board for public consumption.

Mr. Speaker: Pursuant to Standing Order 43 such a motion cannot be presented without unanimous consent.

Some hon. Members: No.

Industry

ADMINISTRATION OF JUSTICE

REPORTED INTENTION OF PRIME MINISTER TO RESIGN IF CAPITAL PUNISHMENT APPROVED BY HOUSE—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the CBC radio this morning carried a news story to the effect that the Prime Minister (Mr. Trudeau) has been reported as stating in Victoria yesterday that he would resign as Prime Minister if capital punishment were approved by the House of Commons, and in view of the fact that there are some abolitionists in all parties who have now been placed in the most difficult quandary of determining what this nation needs most, that is, capital punishment, abolition, or a new prime minister, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That the Prime Minister be invited either to withdraw his statement or resign, preferably the latter.

Some hon. Members: Hear, hear!

* * *

● (1410)

HEALTH

SUGGESTED COMMITTEE STUDY OF INSPECTION OF IMPORTED WOOL FROM A HEALTH POINT OF VIEW—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to raise a matter of urgent and pressing necessity. In view of the fact that Canada's inspection of imported wool and wool products is insufficient to protect human health, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the matter of imported wool and its inspection from a health point of view be referred to the Standing Committee on Health and Welfare for study and report.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the said motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[Translation]

INDUSTRY

PROPOSED COMMITTEE STUDY OF REDUCTION OF IMPORTS—PURSUANT TO STANDING ORDER 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important and urgent matter.

Given the difficult situation of the economy of this country and the pernicious influence of this situation on the purchasing power of the people and on the rising unemployment rate, and considering that Canada has the potential necessary to produce almost everything which is essential, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That a special committee of this House be established to investigate the means to be taken to avoid importing foreign products which we can or could easily produce here in Canada.

[Mr. Speaker.]

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[English]

PUBLIC BUILDINGS

ALLEGED INADEQUACIES OF FIRE INSPECTIONS AND ALARM SYSTEMS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion of urgent and pressing necessity arising from the recent extensive fire that occurred at the Quebec summer residence of the Governor General. I move, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That the government account to this House for circumstances surrounding the fact that government personnel were aware that the fire alarm system at the Governor General's summer residence was not functioning for some months prior to the recent fire resulting in a one-hour delay in discovery of the fire, why a fire inspection of the summer residence by the appropriate personnel had not been made for over a year and similar inspection of Rideau Hall in Ottawa has not been made in over three years and, finally, the House requests a complete investigation to correct reported serious inadequacies of fire alarm systems and fire inspections in all federal government buildings including the parliament buildings.

Mr. Speaker: Order, please. This motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[English]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—DATE WHEN PROGRAM EFFECTIVE IN CONTROLLING PRICES

Mr. James A. McGrath (St. John's East): Mr. Speaker, bearing in mind the statement of the chairman of the Anti-Inflation Board that the price control mechanism of

the anti-inflation program is now in place, can the Minister of Finance tell the House when the Canadian people may expect some relief from high rates of price increases, as exhibited by this month's quite substantial increase in the consumer price index?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I note that in respect of many of the commodities which are controlled under the program there has been no increase in these particular figures. Indeed, from the Statistics Canada report, among other things, the return to the 7 per cent Ontario sales tax as well as higher utility costs were most responsible for the increase. As the hon. member knows, there are certain aspects of this including government taxation which are not subject to the direct control of the Anti-Inflation Board.

Mr. McGrath: Mr. Speaker, notwithstanding the fact that the consumer price index today reflected a decrease in the price of food, which was a direct consequence of the self-imposed freeze by the major supermarket chains, and bearing in mind the fact that we can anticipate further increases in food prices as reflected in statements by the vice-chairman of the Anti-Inflation Board and the president of one of the major supermarket chains, does the minister have any plans on behalf of the government and the Anti-Inflation Board to protect Canadians against the effects of uncontrolled food prices, having regard to the fact that this will call into question the whole credibility of the government's anti-inflation program?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member's term "uncontrolled food prices" is scarcely justified in view of the fact that the operations of the major chains are subject to scrutiny by the Anti-Inflation Board, as indeed are the operations of marketing boards where they are protected in particular from import competition. In that sense I feel the controls will be effective, although we recognize the fact that particularly at this season of the year in relation to imported commodities, with the variation in prices of other commodities, there will be a variation in the food index.

ANTI-INFLATION PROGRAM—REQUEST FOR TABLING OF ANALYSES OF IMPACT OF CONTROLS ON PRICES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my final supplementary is prompted by a statement attributed to the Prime Minister in which he said the following in respect of the impact of prices:

> We are very satisfied with the analyses we make from time to time on the effects of the program.

May I ask the minister if he is prepared to lay on the table of the House those analyses and any evidence the board may have on the impact of the program to control prices, especially food prices.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I must say I think what the hon. member is asking for is a continuous report in the House day after day on the activities of the board day after day. I think that would be rather difficult to do. Of course, the law does provide for reports to the House and there will be opportunities to examine the members of the board when the estimates come before Parliament.

URBAN AFFAIRS

GOVERNMENT INTENTIONS WITH REGARD TO CONTROLLING COST OF HOUSES AND LAND

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to direct a supplementary to the Minister of State for Urban Affairs. Despite the decline in the food component of the consumer price index, the increase in the cost of home ownership excluding land costs remains at an unacceptable 13.8 per cent year over year. What concrete measures has the minister in mind to curtail the rising costs of home ownership?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the measures that were passed just before Christmas will go a long way toward reducing housing costs and making housing more available for people of moderate income. It will speed the production of land and serviced land. It will assist the municipalities in providing additional services which should reduce the cost. It will make it possible for moderate income people, and all people indeed, to buy modest housing at low carrying costs. It will do many of these things and many more, as well as stimulate the activities in the construction industry on a four-year sustained high volume basis which should help achieve economies of scale. If in the process this helps bring down inflation and reduces inflation even more the cost will be reduced even further.

Mr. Darling: Mr. Speaker, in view of this rapid increase in home ownership costs, and considering that the Minister of Finance has declared that land costs are even more culpable in contributing to aggregate housing costs, can the minister inform the House which area has higher priority insofar as curbing increases go?

Mr. Danson: Mr. Speaker, I do not quite understand which area. Of course, I have indicated several areas where we are taking specific action. I indicated yesterday in the House we are making efforts, in co-operation with the provinces where the jurisdiction lies and the municipalities to speed up the processing of land which I think, with the exception of interest rates, is perhaps the one most troublesome area in keeping costs high. If we can be successful in bringing down the land costs and speeding its processing and getting it on the market I think we will make a great deal of progress indeed.

* * *

ANTI-INFLATION BOARD

ALLEGED LACK OF RESOURCES TO CONTROL PRICES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. Considering the fact that the Anti-Inflation Board has not ordered a single roll-back in price increases since the program began, will the minister confirm the board has at its disposal resources to monitor only 350 corporations in Canada and that the real reason for the board's not making its pricing decisions public is not alleged reason of confidentiality but the fact that because of its scarcity of resources to act in monitoring prices, public revelation of this fact would reveal its total incapacity to control prices.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I might point out that the hon. member's initial statement is quite mistaken. For example, in the B.C. Telephone case the Canadian Transport Commission has rolled back the price that would have been proposed. As to the hon. member's suggestion that there should be a larger and more elaborate bureaucracy created in this area, I will consider that in the light of the earlier statements made by the hon. gentleman that one of the difficulties with the program was that it might create a bureaucracy.

* * *

● (1420)

THE CANADIAN ECONOMY

REASON FOR PERMITTING PRICE OF OIL TO INCREASE

Mr. Edward Broadbent (Oshawa-Whitby): Increasingly the minister is refusing to answer questions. Perhaps he will tell us in his second answer why there have been no rollbacks in prices, other than the one in which the board was indirectly involved. I should like to ask him, since the cost of fuel and utilities increased by 16.7 per cent over the past year and by 2.6 per cent over the past month, whether the government will now reconsider its extraordinary decision to permit the oil companies to increase their prices of oil once again, eventually going up to world price levels.

Hon. Donald S. Macdonald (Minister of Finance): No such decision has been taken.

Mr. Broadbent: Mr. Speaker, I should like to pursue that point. The minister has said that there has been no decision to permit the oil companies to increase prices of oil. If that is what he said now, I should like him to check the Prime Minister's earlier statements, and I am quite sure statements by the minister himself, in which it was indicated the government is committed to permitting oil companies to increase prices up to world price levels.

Mr. Macdonald (Rosedale): If the hon. member would like to go back and check the record, he would see we indicated at the time we were prepared to move over time toward world prices, but no specific decision has been taken at this time to increase the prices of oil and natural gas in Canada. That is a question which, as in previous years, will have to be discussed at the federal-provincial meetings which will be taking place in several weeks at which, I am sure, the western provinces such as Saskatchewan and Alberta will be pressing for higher prices for hydrocarbons. That, of course, is a question to be discussed and decided then. No such decision has yet been taken.

* * *

[*Translation*]

TRANSPORT

INQUIRY IF INCREASE IN PASSENGER FARE SUBMITTED TO BOARD

Mr. René Matte (Champlain): Mr. Speaker, I would like to direct a question to the Minister of Transport.

[Mr. Broadbent.]

In view of the decision taken by the railway companies to increase their ticket prices by 15 per cent, and in view of the fact that this increase affect particularly the oftentimes very poor people almost exclusively served by this means of transportation—and this is the case for the whole northern part of my riding—would the minister tell the House whether this increase which seems to go beyond the guidelines laid down by the Anti-Inflation Board has previously been submitted to the Board?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as I think I indicated in answer to a question from the hon. member for Laprairie, this kind of increase might be looked at by the Canadian Transport Commission but would not ordinarily be looked at by them in advance of the announcement or indication by the railways. The commission would follow guidelines which have been given to it for examining increases in this area.

[*Translation*]

Mr. Matte: I would like to ask a supplementary question, Mr. Speaker.

Would the minister tell the House how come the Canadian National and Canadian Pacific Railways have in fact increased their ticket prices by 15 per cent since February 1, without any prior consultation and without any decision made known by the Transport Commission in this respect?

[*English*]

Mr. Lang: Mr. Speaker, I can assure hon. members that the CTC is aware of increases which occur. There will be a general examination by the CTC of railway operations to determine whether they have offended the 95 per cent margin rule, and in addition they will be looking at specific cases to determine whether other and more specific rules apply to them.

* * *

SUPPLY AND SERVICES

CONTRACT WITH LOCKHEED FOR LONG RANGE PATROL AIRCRAFT—REQUEST FOR CLARIFICATION OF TECHNICAL PROBLEMS—DATE OF COMMENCEMENT OF WORK

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Supply and Services. On February 2 the minister told the House that there were technical problems in the way of signing the contract with Lockheed for LRPA. Would he tell the House what is meant by the phrase "technical problems" and, in the light of the difficulties now being experienced by Lockheed, have these technical problems increased or decreased in the last few days? Has the contract been signed?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): These technical problems relate strictly to long-term financing.

Mr. McKinnon: In view of the fact that the contract has not apparently been signed, when will there be movement of tools and plant to Canadair to begin work on the LRPA? Does the Japanese decision to cancel their pur-

chase of the P3-C affect either the cost of the plane to Canada or the amount of work which will fall to Canadian industry?

[*Translation*]

Mr. Goyer: Mr. Speaker, the contract we intend to sign with Lockheed Aircraft Corporation of Canada has been subject to a long study by an interdepartmental committee, under the direction of the Department of National Defence, and for which the government paid a considerable amount of money to have the program finalized. This contract has finally been negotiated through the Department of Industry, Trade and Commerce to establish what would be the best economic repercussions for Canada.

We thought we had all the possible advantages to meet our needs and our economic objectives. This is why we are considering the possibility of signing the contract with Lockheed Aircraft once the arrangements concerning the long term financing are completed.

[*English*]

CONTRACT WITH LOCKHEED FOR LONG RANGE PATROL AIRCRAFT—ASSURANCE NO COMMISSIONS PAID

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I do not know what questions the Minister of Supply and Services is answering, but they are certainly not the questions I am asking.

My supplementary is for the Minister of National Defence. In view of the statement of the Solicitor General to the House on February 10 that the RCMP is not investigating the question of possible Lockheed kickbacks in Canada for the sale of the LRPA, does the minister have anything other than an assurance from the chairman of the board of Lockheed, who is hardly a disinterested party, that commissions have not and will not be paid on the Canadian LRPA contract?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, there is no evidence of any wrongdoing or bribery related to the LRPA program, and if the hon. member has a specific accusation, I wish he would make it. Otherwise, I do not think we should engage in a witch hunt.

Mr. McGrath: Why don't you make a statement and reassure the Canadian people that there is no bribery?

* * *

ADMINISTRATION OF JUSTICE

POSSIBILITY GOVERNMENT MEMBERS NOT PERMITTED A FREE VOTE ON CAPITAL PUNISHMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Solicitor General a question. Last evening the Prime Minister stated that he was going to try to persuade parliament to abolish capital punishment, and if he was not successful, he would resign. I should like to ask the Solicitor General whether he had a discussion with the Prime Minister in this regard and whether the Prime Minister was, in fact, indicating a free vote on capital punishment would not take place on the Liberal government side of the House.

Some hon. Members: Oh, oh!

Hon. Warren Allmand (Solicitor General): Mr. Speaker, unfortunately I did not hear all of the question. There was too much noise in the House.

An hon. Member: Louder, Eldon.

Mr. Woolliams: That is the greatest compliment I have had for a long time. My hon. friends opposite say I am getting weak, but I will put the question again.

Last evening the Prime Minister stated that he would try to persuade parliament to abolish capital punishment, and that if he was not successful, he would resign. I should like to know whether the Solicitor General had a discussion along these lines with the Prime Minister and whether the Prime Minister was in fact indicating that a free vote on capital punishment would not take place on the government side, but rather a vote on the retention of the Prime Minister.

Mr. Allmand: I cannot accept that the Prime Minister said exactly what was reported by the hon. member. I have not had a chance to talk to the Prime Minister or to read his exact words, and I will have to see him when he comes back.

Mr. Woolliams: I should like to quote briefly what the Prime Minister said so that the Solicitor General will have this information.

Some hon. Members: Oh, oh!

Mr. Woolliams: "If it's against my conscience to hang . . ."

Mr. Speaker: Order, please. The Solicitor General has given his answer about having to talk to the Prime Minister before making an answer.

Mr. Woolliams: I can assure the Solicitor General that the Prime Minister did say that.

Some hon. Members: Oh, oh!

Mr. Woolliams: I can wait. I should like to put this question to the Solicitor General: did he have a discussion with the Prime Minister, and is there an arrangement that certain members of the cabinet would resign if the bill did not pass? Is that the arrangement, and is that the kind of free vote the Solicitor General recommends to the House?

Mr. Allmand: The hon. member knows the policy of the government with respect to the bill in the House, but I believe the government has said there will be a free vote on this issue. There will be a government bill. Again, I must say that I cannot accept a report from a newspaper article as being the exact words of the Prime Minister.

● (1430)

Mr. Woolliams: Mr. Speaker, a final supplementary. We can get away from the opinion of the Solicitor General, but I should like to ask him pointblank if he can assure the House on behalf of the government, and particularly members of cabinet, that there will be a free vote in this House on capital punishment when the bill is presented?

Mr. Allmand: Mr. Speaker, it will be similar to the last occasion when we dealt with this. There will be a government bill to which the government will be committed, but members of this House who are not with the government will be free to vote on it as they see fit.

Some hon. Members: Oh, oh!

Mr. Hees: You have said it all now—no free vote.

* * *

NATIONAL DEFENCE

POSSIBILITY CONTRACT FOR 20 MULTI-PURPOSE SHIPS PLACED OUTSIDE CANADA—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Defence and refers to the need of maritime command for an additional 20 multi-purpose intermodal ships in the foreseeable future. Is it a fact that agreement has been reached in principle by the government, and perhaps partly arising out of contractual link talks with our European partners in NATO, that this order and the engineering design work for it will be placed outside Canada?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, it is much too early in the shipbuilding program to have entered into any negotiations either outside Canada or within Canada. Of course, we would all prefer that the contract be completed in this country.

Mr. Forrestall: I take it from what the minister has said that consideration has not been given to letting this approximately $400 million contract outside Canada as a result of requests from the Prime Minister or members of cabinet. Is that the position or in fact has the matter been considered, is it currently under consideration and is there a possibility that a final determination might be made some time this year? The final determination I am referring to is a decision by the government to let this work go outside Canada.

Mr. Richardson: Mr. Speaker, that is not being actively considered at the present time. I think it would be a most unlikely result of any studies.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGATION MR. MRNAK MURDERED IN ST. CATHARINES HOSPITAL—REQUEST FOR RE-OPENING OF INVESTIGATION

Mr. Gilbert Parent (St. Catharines): Mr. Speaker, my question is for the Solicitor General. In the last few days a Mr. Frolick, a Czech defector, testified at a Senate subcommittee hearing in Washington that a former constituent of mine, a Mr. Mrnak, was allegedly murdered while being treated in the Hotel Dieu hospital in St. Catharines. I understand that Mrs. Mrnak has asked for another investigation. In view of the fact that the Royal Canadian Mounted Police were involved in the original investigation, would the minister please tell the House if there are any plans to reopen the case?

[Mr. Woolliams.]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, at the time of Mr. Mrnak's death there was an investigation by the local police and the RCMP. They found there was no foul play involved in his death. There is no plan to have another inquiry by the RCMP. If there were to be another investigation it would have to be undertaken by the local police force.

* * *

ADMINISTRATION OF JUSTICE

ALLEGED BREACH OF PROVISIONS OF FOREIGN ENLISTMENT ACT—REQUEST FOR INVESTIGATION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Acting Prime Minister. Would the Acting Prime Minister make inquiries into the publication in the *Globe and Mail* on Tuesday, February 10 of an advertisement which seems clearly to envisage enlistment of Canadians as mercenaries for hostilities in Africa contrary to the provisions of section 11 of the Foreign Enlistment Act? This section forbids any person to recruit or otherwise induce any person to enlist or accept any commission or engagement in the armed forces of any foreign state or other armed forces operating in such a state. Will the minister look into this and take the necessary action of the facts—it is quite clear there is an advertisement—but will he take the necessary action if it appears that someone is breaching the Foreign Enlistment Act.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I certainly shall have inquiries made. I am not quite sure on whose initiative action would be taken but if as the hon. member suggests, this is contrary to the law I shall see that appropriate action is taken.

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EXTERNAL AFFAIRS

INQUIRY AS TO RATE OF INTEREST ON LOAN TO SOUTH KOREA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Acting Prime Minister. I wonder whether the Prime Minister thinks he can have the same success I have had in pushing up popular support for my party by talking about resignation. Has the Acting Prime Minister had time to reflect on my question about the rate of interest the government agency is receiving on the $300 million loan to the Republic of Korea to finance the sale of the reactor? The Acting Prime Minister has said previously he would not refuse but I ask him again because surely he cannot pretend this is an ordinary commercial transaction.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have reflected. I looked back at the words I used and I think I have come to the same conclusion, that it would be inadvisable in transactions made by the Export Development Corporation, to reveal information that could be used to the disadvantage of Canadian indus-

try. Essentially, what the Export Development Corporation is doing is promoting the sale of Canadian goods. The rates of interest quoted are competitive. As I pointed out to the hon. gentleman, there has been no loss to the Canadian taxpayer in the operation of the Canadian Export Corporation.

Mr. Stanfield: Mr. Speaker, I wonder whether a loan has been made by other corporations in anything like the amount of $300 million. I should like to ask the Acting Prime Minister or anybody on that side of the House what possible justification there can be for keeping from the Canadian people the rate of interest on such a vast loan which could involve a tremendous subsidy on this sale. Why is the government afraid to let Canadians see the full terms of this transaction?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, it has been traditional policy on this, supported by all concerned including the House and businessmen—

Some hon. Members: No.

Mr. Lambert (Edmonton West): This is state to state.

Mr. Jamieson: I am grateful to the hon. member, but if he would keep quiet for a moment I was just coming to the fact that it was state to state. It has not been the policy, even on state to state, transactions to disclose interest rates or other specific details on this kind of transaction. If hon. members opposite wish us to increase our export sales they have to realize that this is a highly competitive operation and we must maintain a degree of confidentiality regarding it.

Some hon. Members: Hear, hear!

GOVERNMENT POSITION ON DISCLOSING DETAILS OF SALE OF NUCLEAR REACTOR TO SOUTH KOREA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Acting Prime Minister or the Minister of Industry, Trade and Commerce or the Secretary of State for External Affairs whether it is their view that the sale of a nuclear reactor by Canada is simply a commercial transaction and whether the Canadian people are not entitled to know the details of such a sale?

Mr. Lawrence: There is more than money involved in this.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I can assure the hon. gentleman and I am sure he knows already that this is one of the most competitive aspects of world business at the present time.

Mr. Baker (Grenville-Carleton): You are a bunch of carpetbaggers.

● (1440)

ADMINISTRATION OF JUSTICE

POSSIBILITY PRIME MINISTER MIGHT RESIGN IF CAPITAL PUNISHMENT BILL NOT APPROVED BY HOUSE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question to the Solicitor General arises from an earlier question asked by the hon. member for Calgary North. The Solicitor General has stated that if the House votes in support of capital punishment he would have to resign. Now, he has been followed by the Prime Minister making the same statement. If the Prime Minister made that statement and it is clear that he did—

An hon. Member: He did not.

Mr. Diefenbaker: —does the minister not think that if members of parliament can get rid of the Prime Minister only by voting for capital punishment, that is placing a ridiculous temptation before parliament?

* * *

SOCIAL SECURITY

POSSIBLE REPEAL OF SECTION 85 OF CANADA PENSION PLAN GIVING MINISTER RIGHT OF APPEAL

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is the government considering repealing section 85(1) of the Canada Pension Plan, which gives the minister, supported by a battery of judges, lawyers and the federal treasury, the right to appeal to the Pensions Appeal Board in order to prevent an applicant, one Canadian, from receiving his pension even after the case was decided in the applicant's favour by a review committee, after the applicant had gone through a process of medical examination?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there can be no question of amending this section of the legislation for any reason whatever. This matter was debated last year by the Committee on Health, Welfare and Social Affairs, when the last amendments were made to the Canada Pension Plan. However, when the government appeals the decision of the board, the government pays the cost of the judicial representation for the person against whom an appeal was made. So I think that the government truly considered the requirements of the persons eligible for pension in such circumstances.

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[*English*]

URBAN AFFAIRS

GOVERNMENT INTENTIONS WITH REGARD TO RAPID TRANSIT WITHIN MUNICIPALITIES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of State for Urban Affairs.

Some time ago the government announced the details of its implementation of election promises with regard to grants for modern rapid transit between communities. My question is this: Has the government made a decision with regard to grants relating to rapid transit within municipalities? If not, when is the decision likely to be made? I ask this because the minister's response to me some time ago was delightfully obfuscating, and he sort of put off the question. Will he now tell us if this is to be done now or in the foreseeable future?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, with reference to the specific question about commuter systems between two communities, certainly the object of the legislation is to tie in communities, and the fact that they may be in the same municipality is no objection. Indeed, as recently as a week ago I spoke with the mayor of Edmonton on this matter. Firm regulations will be drafted shortly. But the object of the exercise is not to pay for systems that were in place or committed previously. The object is to encourage new systems, so that we can deal with the decentralization and growth of great urban centres such as the great city of Edmonton.

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AIR TRANSPORT

INCREASE IN AIRPORT USER CHARGES—REQUEST FOR TABLING OF COST-BENEFIT STUDY

Mr. Jack Murta (Lisgar): Mr. Speaker, my question to the Minister of Transport is supplementary to the question asked on Monday by the hon. member for Capilano. In view of the criticism of the Air Transport Association regarding the $22 million increase in airport user charges, has the minister conducted or will he conduct and table a cost-benefit study, to ensure that the increase is equitable and in line with the anti-inflation program? My question arises from a report which indicates that the increase will amount to approximately 30 per cent across the board for general terminal charges and landing fees, and there is to be more than a 600 per cent increase for landing fees connected with pilot training. Can the minister answer this question?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, first, it should be recognized that the guidelines have not restricted the opportunity of any government in the country to re-examine programs and priorities and obtain a larger amount of revenue from the user rather than from the taxpayer, as, otherwise, collecting more money could have an interesting and important impact on the economy and the services being offered. We are proposing user charges and the 30 per cent figure is accurate. In some cases a higher increase is proposed because the charge was very low, compared with the real cost of the service being provided.

It is part of our over-all proposition that, in many cases, those who use the services should pay a higher proportion for the benefit they receive rather than that the general taxpayer should be expected to help.

[Mr. Lambert (Edmonton-West).]

INCREASE IN AIRPORT USER CHARGES—POSSIBILITY OF CONFLICT WITH ANTI-INFLATION PROGRAM

Mr. Ron Huntington (Capilano): Mr. Speaker, I appreciate the answer the minister gave the hon. member for Lisgar. Would he help those working on the transport committee and answer the following question: Does the minister place a higher priority on implementing the new user pay program than he places on the anti-inflation objectives of his colleague, the Minister of Finance?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the answer is, no. It should be obvious from the first part of my earlier answer that there is an impact on inflation and on Canadians if tax dollars have to be raised from taxpayers generally, thus reducing their take-home pay and money which they can spend, or if the money is raised by borrowing, therefore increasing tax deficit in the economy. The government must balance these items and their impact on the economy. I should add, in answer to part of the question asked a moment ago, that we are doing a careful analysis of real costs and the appropriate portion of those costs to be borne by the people who fly and the various services provided to them. This study will take somewhat longer. We are satisfied that the increased charges we are imposing are well below the total value of the service.

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ENERGY

ALLEGATION OF FAULTY CONSTRUCTION ON TRANSCANADA PIPELINE—REASON ENERGY BOARD HAS NOT CONSIDERED EVIDENCE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question to the Minister of Energy, Mines and Resources relates to the allegations that the welding done on sections of the TransCanada pipeline running through Manitoba and Ontario is of such poor quality as to represent a hazard. These are allegations made by a former safety inspection contractor. As, on January 28, the secretary of the National Energy Board wrote to the president of CTV to request that CTV present the NEB with all evidence it has, including radiographs of pipeline welds, and as the president of CTV offered to comply with the request and asked for an immediate meeting with the NEB, to turn over the evidence, can the minister tell the House why no meeting has yet been held and, in particular, why the chairman of the National Energy Board would have issued a news release on Tuesday stating that the allegations had been carefully investigated and rejecting outright any claim that the Board's investigation has been superficial?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I indicated in my answer to the House that the Chairman of the National Energy Board had said that the Board had investigated claims in the past to the effect that the line was unsafe but had found those claims to be totally unfounded, further, that they were prepared to consider any new evidence from CTV, or, indeed, any other person. I mentioned one par-

ticular man in my last answer. I have not been told that the evidence has been supplied to the National Energy Board. I will be pleased to check with the Board, to learn why the meeting has not been arranged.

Mr. Beatty: A supplementary question, Mr. Speaker. I thank the minister for his offer. The president of CTV wrote to the secretary of the National Energy Board. In the letter, a copy of which was sent to the Minister, he said:

> CTV certainly wishes to co-operate in a further, and complete, investigation into safety on the TransCanada Pipelines. In that regard, we would request that a representative from the Energy Board arrange to meet with Rudi Carter, W-5 Field Producer. At that time, Mr. Carter will turn over evidence he has received concerning the pipeline.

In view of this, why has the minister not followed up before now, to ensure that the meeting takes place? Will the minister, when he reports back to the House, indicate whether he feels the decision of the chairman of the National Energy Board to issue this news release on Tuesday in which he stated that all allegations had been investigated and found to be completely false was in any way justifiable?

● (1450)

Mr. Gillespie: I have already said I will take up this matter.

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POST OFFICE

ABUSIVE LETTERS FROM UNION TO CERTAIN EMPLOYEES—POSSIBLE ACTION TO REINSTATE EMPLOYEES AS UNION MEMBERS

Mr. Arnold Malone (Battle River): Mr. Speaker, I would direct my question to the Postmaster General. I wish to ask whether he is aware that employees of certain post offices which did not receive the ballot during the last strike have since received very abusive and insulting letters from the Postal Workers' Union, letters which really come very close to being the subject of some kind of criminal investigation?

Hon. Bryce Mackasey (Postmaster General): The hon. member, with his usual courtesy, showed me one of these letters. I hope it did not come from the president of the local because it is a letter which reflects a very sick mind. The letter was unsigned, so I would not want to say that it was written by the president of the local. If it were, I can only say that it is a sad day for labour when any local should fall into the hands of such a sick person. On the positive side, I can assure the hon. member and many people across this country that the workers who crossed the picket lines and went back to work because they had the courage of their convictions and because there was no mechanism by which they could express their opinions democratically, can work secure in the knowledge that their job security, their promotions and their grievances will be processed just as though they were members of the union.

Some hon. Members: Hear, hear!

Mr. Malone: I thank the Postmaster General for his response. In cases where post offices did not receive ballots, is the Post Office Department doing anything to ensure that the postal workers concerned can continue to be members of the union ongoing since a number of them were disenfranchised or had their entitlement removed?

Mr. Mackasey: I must remind the hon. member that the constitutions of all unions, including that particular union, provide for an appeal against suspension. It is not automatic. People who are suspended have the right to appeal. Fortunately, the overwhelming majority of the members of that union are decent people and the advice I can give to the members who were disenfranchised, either accidentally or intentionally, is to appeal the suspension and let the public see precisely the degree of democracy or lack of democracy that exists in that local.

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[*Translation*]

BILINGUALISM

CONSULTATION WITH PROVINCES ON DECLARATION OF BILINGUAL DISTRICTS—GOVERNMENT POSITION

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I want to put a question to the President of the Treasury Board.

Considering that the report of the Bilingual Districts Advisory Board was tabled in the House on November 21, 1975, and that pursuant to the Official Languages Act, 90 days must elapse between the tabling of the report and the proclamation of bilingual districts, can the President of the Treasury Board tell the House whether he has finished his consultations with the groups concerned and the provinces, and whether he intends to proclaim bilingual districts on February 21, 1976, as the act requires?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the act does not require that we proclaim them after 90 days, it only gives us authority to do so. We do not intend to proceed immediately, because we have not consulted all the persons who want to make representations to us on that matter.

* * *

HOUSING

REQUEST THAT ANTI-INFLATION BOARD PREVENT INCREASE IN PRICE OF LUMBER

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of State for Urban Affairs.

Can the minister tell the House whether he is aware that the price of lumber, and especially structural lumber, has increased by 40 to 45 per cent since December 1? If so, would he request those in charge of the Anti-Inflation Board to attend to the matter and put an end to it, or at least improve the situation, with a view to achieving the objective he announced to the House, namely the construction of thousands of new homes?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): I am not in agreement with the precise figures

given, though I do not mean to argue them now with the hon. member. I should like to check them with him. I shall certainly speak to my colleague responsible for the Anti-Inflation Board. We are watching every area where we can keep costs down believing, basically, that it is a matter of increasing production and keeping expectations and the type of housing down to that which is affordable. We are certainly watching those price rises but the industry indicates to me that even, though increases in prices are expected this year, if they can maintain continuity, of supply and production they should be able to reduce prices. We certainly want to watch to see there is no infraction of those things which come under the responsibility of the Anti-Inflation Board.

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NORTHERN AFFAIRS

REASON FOR EARLY DECISION ON APPLICATION OF DOME PETROLEUM FOR DRILLING PERMIT FOR BEAUFORT SEA

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. I should like to welcome him back from British Columbia where I hope that at least the weather was warm. During the hon. gentleman's absence the hon. gentleman's parliamentary secretary indicated to the House that a recommendation would be made on February 18 with regard to the application of Dome Petroleum for drilling permits offshore in the Beaufort Sea. Dr. Milne, a member of the minister's departmental staff, has indicated that the likelihood of human error makes a blow-out almost a certainty in terms of drilling in that ocean and, also, that new technologies are not available either for clean-up or control. Can the minister advise the House why there is such urgency about making a decision on this question in view of such statements by officials in his own department and also, of course, in the light of the Department of the Environment's report dealing with the environmental impact of drilling in the Beaufort Sea?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): The basic decision in principle with regard to drilling in the Beaufort Sea was taken a couple of years ago, but the permits to be issued were to be subjected to environmental restrictions and conditions to be imposed after the tests and the roughly $12 million worth of environmental studies had been carried out. This is a matter which I am currently discussing with my colleague, the Minister of the Environment as to just what these conditions would be. A decision has not yet been taken.

Mr. Leggatt: The minister did not answer the question why there should be such urgency. In view of the fact that the public is now paying for the Berger inquiry which is looking into environmental and social conditions in the high Arctic, why is it that the terms of reference with regard to drilling offshore have not been extended clearly to the Berger inquiry? Again, why can the minister not wait for the full facts to be developed and revealed before drilling permits are issued? In other words, why cannot the Berger Commission take this matter fully under its wing and make a report on this aspect as well as on pipelining in the Arctic?

Mr. Buchanan: The final phrase dealt with pipelining in the Arctic. Mr. Justice Berger's mandate is quite precise. It deals with the application of Canso and subsequently we added to it the aspect of the Foothills application where it deviated from the Canso. That is the limit of Mr. Justice Berger's mandate. As for the time factor, I doubt it will be done by the middle of February. This is something I shall have to pursue with my colleague, the Minister of the Environment.

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TRANSPORT

PRINCE EDWARD ISLAND FERRY SERVICE—STEPS TO PREVENT INTERRUPTION OF SERVICE IN VIEW OF COURT DECISION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I would like to direct my question to the Minister of Transport. In the light of the recent federal court decision which found the Dominion Government was in breach of the duty imposed upon it when it allowed the ferry service between Prince Edward Island and the mainland to be interrupted, has the minister anything to report on a solution to prevent further interruptions, or even a contigency plan, which could be brought into use in the event of a situation arising which might cause future interruption?

Hon. Otto E. Lang (Minister of Transport): I have not, of course, yet had a chance to examine those words. The question of interruptions, particularly as it relates to labour problems, is one which has caused some concern. An attempt is being made to create an atmosphere that may allow for these services to be continued, even when ordinary labour tactics might stop them, with the general co-operation and agreement of all who are concerned. I cannot, of course, indicate that that assures service in all circumstances, but it has improved the likelihood that interruptions can be avoided.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, Mr. Speaker, may I ask the government House leader about the business for this week and next week? While doing so, I should like to ask whether he would report the government's position on the suggestion discussed between the House leaders as to the disposition that the House would make of its time next Thursday and Friday, in light of the very important and dramatic even that will be taking place in the city of Ottawa at that time. I ask him to bear in mind that the New Democratic Party took similar advantage, and it is

not impossible that the government party themselves might be interested in a similar arrangement in the not too distant future.

Mr. Sharp: Mr. Speaker, following today we will be continuing with consideration of Bill C-58. If there is completion of the discussion of motions tomorrow, I hope there would be general agreement that any votes would be deferred until Monday. In any event, Bill C-58 will be continued at the report stage for the time being, and then as soon as possible we will take third reading. When that is disposed of, we will continue second reading of Bill C-68. I should like to express my hope that we can also fit in Bill C-82 and Bill S-10 and complete consideration of them.

As the House leader of the official opposition has reminded us, there is a very dramatic event next week which may or may not elevate one of the members of his party in the House to the position of leader. At any rate, this great event is an important one and I quite agree that the courtesies of the House should be extended to all parties when they enter upon these considerations. There were various adjectives I could have applied, but I will not do so. Therefore, I propose that we should not sit on the evening of Thursday, February 19, and that we should stand adjourned until Monday, February 23. I wonder whether there would be unanimous consent to make the following order:

That the House shall adjourn at five p.m. on Thursday, February 19, 1976, and shall thereupon stand adjourned until Monday, February 23, 1976.

Mr. Speaker: Order, please. There having been some discussion on this matter, since at this point we are discussing a point of order raised by the hon. member for Peace River, such a motion, if it were to be entertained by the House, could only be presented to the House at this time by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Jones: No.

Mr. Speaker: Order, please. There not being unanimous consent, such a motion cannot be considered at this time.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise to ask a supplementary question regarding the House business. There were reports this morning on CBC radio about what I can only call leaks respecting the confidential report now being reviewed by a joint committee of the House and the Senate having to do with employer-employee relations in the public service of Canada. I had originally thought that this might be a question of privilege, but the only action that could be taken in that event would be to have the matter go to the Standing Committee on Privileges and Elections, which would probably be futile.

I think that our anxiety, which I am sure is shared by the Chair, is to establish procedures of some kind where this kind of thing ought not to happen; indeed could not happen. Perhaps it might be better if I asked the government House leader whether he would consider accelerating the formation of the special committee that has been discussed regarding rights and immunities of members of parliament. Rather than have an examination of this particular matter, I think we ought to have an examination of all the matters affecting the security of documents in so far as this might apply to documents in House of Commons committee reports and other reports. Not doing so could only lead to embarrassment, and on many occasions could only lead to misleading of the public. Since this matter does affect the rights and privileges of members, I would ask whether or not any thought has been given by the government House leader to dealing with the matter in the way I suggest.

Mr. Sharp: Mr. Speaker, in answer to the hon. member's question, I must say I had not given consideration to that particular aspect of the matter. However, I did view very sympathetically the suggestion made by the House leader of the official opposition, and I hope we can get together to discuss the terms of reference.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on the point of order with regard to the business of the House. May I say that when it looked as though the motion for the adjournment for sake of the Progressive Conservative convention would be accepted, I was going to ask whether we should not consider the possibility that the Conservatives might not be able to finish their balloting on Sunday, and that maybe we would have to take Monday off as well. I should like to make that offer, provided, of course, it would get the support of the hon. member for Moncton.

With regard to the business of the House, may I ask the minister two questions? My first question relates to Bill C-208 which, according to notices posted in the lobbies, is to be dealt with at four o'clock tomorrow. In view of the wide support for this bill having to do with Heritage Day, especially on the government side, can the government House leader say whether the government will make additional time available, if necessary, to get this bill through third reading, if that does not happen in the one hour allotted to it tomorrow?

My second question relates to the statement that the Minister of Veterans Affairs was to make today on the proposed legislation regarding Canadian veterans who were prisoners of war. This is a promise that has been made to us on four separate occasions, namely, that we would get such a statement today. May I ask whether we are to have that statement?

Mr. Sharp: First of all, with regard to Bill C-208, this is a private bill. The government is also concerned about the matter, and if this particular bill is not approved it is the intention of the government at a later stage to introduce a bill that will deal not only with the subject matter of that bill but other related issues. It is our view that it would be better to put these matters all into a complete package; but, of course, if the House approves this bill, one part of the package would be approved. However, it is not the intention of the government to give any more time to this private bill because it believes that the subject matter can be dealt with better and more expeditiously through a government bill that also deals with related aspects of the subject of the hon. member's private bill.

● (1510)

On the question of the statement that my colleague the Minister of Veterans Affairs had intended to make today, as I said yesterday in reply to the question, I was not sure whether he would be able to make it. We did have a further extensive discussion in cabinet this morning which was not completed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege, of which I gave Your Honour notice. Your Honour may wonder how I can see a question of privilege in this, but I remind you, sir, that you have frequently told us that a matter of privilege has to be something which interferes with a member's capacity to do his job in parliament.

It seems to me, sir, that when we have been told on four occasions that a statement was going to be made today regarding this important matter, and when this news has been spread widely across the country and those who are concerned have had their hopes raised, for the government not to keep that promise is a violation of the privileges of members of this House. I remind you, Mr. Speaker, that in fact even yesterday you were of the impression that a statement was coming soon. On Wednesday, January 28, the Minister of Veterans Affairs said it would come in two weeks. The next day, on Thursday, January 29, the President of the Privy Council confirmed it. On Tuesday, February 3, the Minister of Veterans Affairs confirmed it again, and on Thursday, February 5, the President of the Privy Council confirmed it, once more, for Thursday, February 12.

Mr. Speaker, I just do not think this is the way to treat parliament. We are talking about something for which some veterans have waited over 30 years, and we have been waiting for specific action on this matter since June 12 of last year, when our committee's report was tabled, and we have had this commitment for the last two weeks that there would be a statement today.

You may ask me, sir, what redress there is if I insist that this is a question of privilege. At least there could be a reference of this matter to the Standing Committee on Veterans Affairs, where we might find out what is going on. If you find that I have a question of privilege, I would be prepared to make that motion. At any rate, Mr. Speaker, I protest most vigorously the fact that Canadian veterans who were prisoners of war in Hong Kong or in Europe are being let down as a result of there being no statement today.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure the hon. member knows well—and he has very accurately described his intervention as a most vigorous protest—that his point can scarcely, by any stretch of the rules as we understand them, be accepted as a question of privilege. I am sure the hon. member and others realize the result if I were even to begin to recognize every broken promise as a question of privilege.

Some hon. Members: Oh, oh!

[Mr. Sharp.]

An hon. Member: Especially by the Liberals.

Some hon. Members: Hear, hear!

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PARLIAMENT BUILDINGS

FLYING OF UNITED STATES FLAG FROM PEACE TOWER

Mr. Speaker: Before proceeding with the balance of routine proceedings, on Friday last questions were raised, particularly by the right hon. member for Prince Albert (Mr. Diefenbaker), about security implications relating to an incident involving the flag on the Peace Tower. I do not propose to make any further statement in the House, but I do want to assure hon. members that I have received a very thorough and detailed report as a result of an investigation into the incident. I have had an opportunity of discussing that report not only with the House leaders but also with the right hon. gentleman who raised the point of order. The advice I have received has been most helpful and perhaps remarkable for this chamber in that the conclusion we reached and the recommendations we considered were unanimous.

I simply want to assure all hon. members who are interested in the subject that they are welcome to discuss it with me privately. I have the report and the recommendations under review and will continue to keep the matter under very careful study. As I say, it will not be the subject matter of any further comment in the House.

Mr. Alexander: Mr. Speaker, I intended to rise on a question of privilege but I have changed my mind and rise instead on a point of order. It relates to the "no" voiced by someone in response to the request for unanimous consent. While I have been given to understand where that "no" came from, that is not my point. Let me point out to you, Mr. Speaker, and to hon. members of this House that the motion brought before the House by the government House leader was one that had been anticipated by many people throughout the House, including the protective staff, the cleaning staff, members of the restaurant and others, including hon. members opposite.

Far be it from me to question anyone's motives and our system allows for a dissenting voice. However, we will have many occasions involving leadership conventions and campaigns of one kind or another during which many members of the House belonging to the various parties will not be in a position to be here. While our system allows for a dissenting voice when unanimous consent is requested, I think the system must be changed in order to bring it into line with contemporary thinking. Without making any slurs in the direction of anyone whatsoever, and speaking in terms of co-operation, equity, justice and decency, I would hope that this motion can again be brought foward at eight o'clock this evening after everyone has had the opportunity of looking into the matter, at which time I hope a sense of justice, equity, decency and co-operation will prevail. If the motion is then refused, I would hope—

Mr. Speaker: Order, please. In all fairness to the hon. member for Hamilton West (Mr. Alexander) and his comment in respect of the withholding of unanimous consent,

I sympathize with his point of view but I think I ought not to let him continue further. The fact of the matter is that the withholding of unanimous consent today, for whatever motive, really had to do with the introduction of the motion at this particular moment. There is nothing to prevent the introduction of the motion in the ordinary way with proper notice. In that way, the motion does not require unanimous consent and at the appropriate time after the notice period has expired, the House may direct its attention to the matter in the normal way. In that event, the matter will be debatable, but the duration of the debate is then very much in the hands of hon. members of the House and the outcome will depend on the vote on the motion. The question of unanimous consent had only to do with the introduction of the motion today, without notice.

Motions.

Mr. McCleave: Mr. Speaker, in view of my understanding as to the subject for debate today, I am prepared to wait until the end of routine proceedings.

Mr. Speaker: Order, please. The hon. member has perhaps anticipated what might become a point of order. The fact is that the order of the day which has been agreed upon is not specifically the hon. member's motion, but is so similar that the debate in respect of the one would certainly be considered a debate in respect of the other. I do not know whether it is necessary to make a disposition of the motion at some time. Perhaps the simple course would be to proceed with that which has been agreed upon as the order of the day when orders of the day are called and, depending on the outcome, the hon. member for Halifax-East Hants (Mr. McCleave) may wish to withdraw the motion at that time. However, this if something that can be considered then.

Mr. McCleave: I am prepared to proceed whenever I am recognized by the Chair.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 3,292, 3,471, 3,641, 3,653, 3,669, 3,750, 3,825, 3,909, 3,922, 3,923, 3,924, 3,925, 3,926, 3,927, 3,928, 4,000, 4,001, 4,002, 4,003, 4,004, 4,005, 4,006, 4,007, 4,008, 4,009, 4,010, 4,011, 4,012, 4,013, 4,042, 4,043, 4,044, 4,045, 4,046, 4,047, 4,048, 4,049, 4,050, 4,051, 4,056 and 4,058.

[*Text*]

APPLICATIONS FOR BAIL IN 1974

Question No. 3,292—**Mr. Howie:**

1. How many persons in Canada in 1974 were granted bail and how many defaulted in any way?

2. For the same year, of the total number of applications for bail, how many were refused?

Order Paper Questions

Hon. Mitchell Sharp (President of the Privy Council): This question deals with the administration of justice which is a matter of provincial jurisdiction.

SCULPTURE ON LAWN INSIDE GATE AT PRIME MINISTER'S RESIDENCE

Question No. 3,471—**Mr. Cossitt:**

What is the stone or concrete sculpture or artifact on the lawn inside the gate at the Prime Minister's offical residence, 24 Sussex Drive (a) what is its purpose (b) who designed it (c) is it considered a work of art (d) what was its cost?

Hon. Mitchell Sharp (President of the Privy Council): The "Pierced Vertical Form" which graces the grounds of the Official Residence of the Prime Minister is on loan from the National Gallery of Canada. It is the work of Dame Barbara Hepworth, D.B.E., whose contribution to twentieth-century sculpture was so significant as to achieve for her early international recognition. In the decades from her first exhibition in London in the year 1928, until her tragic death in a fire at her Cornish studio in St. Ives on May 21 of last year, she had exhibitions in numerous countries including of course the U.S.A. and Canada. Her works can be found in scores of collections and museums around the world. In Canada, the Vancouver Art Gallery and the National Gallery own some of her works. Among many distinctions accorded her are the Commission by the United Nations, in 1963, to make the abstract bronze in memory of Dag Hammarskjold to stand outside the United Nations Secretariat in New York City, and in 1970, the award of Le Grand Prix International de l'Art Féminin. The "Pierced Vertical Form", made of Nebrasina stone, is part of the acquisition program of the National Gallery of Canada aiming at gathering in Canada representative works of outstanding artists. Public funds for this acquisition program are subject to Parliamentary approval in the normal way through the approval of estimates. It is judged preferable not to disclose as a rule the acquisition cost of individual items as it might invite comparisons between artists or their agents or preclude the possibility that items might be acquired at a cost below their market value. The "Pierced Vertical Form" was acquired by the National Gallery of Canada in May 1966.

OUTSIDE CONSULTANTS 1973-1974

Question No. 3,641—**Mr. Reynolds:**

What are the names of individual outside consultants and the total amount paid to each by the government in the years 1973 and 1974 and what is the total estimate for expenditures in 1975?

Hon. Mitchell Sharp (President of the Privy Council): Please see replies to the following questions: No. 151 tabled March 26, 1975; No. 396 tabled March 5, 1975; No. 397 tabled March 12, 1975; No. 398 tabled January 22, 1975; No. 399 answered October 20, 1975—*Hansard* 187, page 8344; No. 400 answered October 20, 1975—*Hansard* 187, page 8344; No. 401 tabled April 10, 1975; No. 897 tabled March 26, 1975; No. 2,089 tabled October 23, 1975; No. 2,090 tabled July 18, 1975. For expenditures in 1975, please see Estimates for the fiscal year ending March 31, 1976.

Order Paper Questions

WILLIAM TERON

Question No. 3,653—**Mr. Cossitt:**

Did William Teron, President of Central Mortgage and Housing Corporation place his assets in a blind trust and, if so (a) are the trustees the legal firm of Snipper, Cohen and Murray of 210 Gladstone, Ottawa (b) did this legal firm prior to the setting up of a blind trust by Mr. Teron do any legal business for Mr. Teron or for any firm or company in which Mr. Teron held either a controlling or substantial interest before being appointed President of Central Mortgage and Housing Corporation?

Hon. Mitchell Sharp (President of the Privy Council): See Beauchesne's *Parliamentary Rules and Forms*, Fourth Edition, Citation 171 (c), (d), (dd).

FORM V2C (PROOF OF SOLVENCY) PROVIDED BY INSURANCE COMPANIES IN PROVINCE OF QUEBEC

Question No. 3,669—**Mr. Matte:**

1. Do some insurance companies provide form V2C (proof of solvency) in the Province of Quebec and, if so, how many?

2. Has a company the right to deny a client such form and, if so, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): See Beauchesne's Parliamentary Rules and Forms, Citation 171 (dd).

RETENTION OF LAWYERS IN OKANAGAN BOUNDARY, BRITISH COLUMBIA, BY DEPARTMENT OF SECRETARY OF STATE

Question No. 3,750—**Mr. Whittaker:**

1. What were the names and addresses of all lawyers and law firms in the Constituency of Okanagan Boundary, British Columbia who performed services for the Department of the Secretary of State during 1973 and 1974?

2. By year, what was the total amount paid to each?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Insofar as the Department of the Secretary of State is concerned: 1. Expenditures made by the Department of the Secretary of State are not identified by constituency.

2. Not applicable.

CBC—PROGRAMME "AS IT HAPPENS"

Question No. 3,825—**Mr. Cossitt:**

1. On the day following the recent British Columbia general election did CBC programme "As It Happens" interview the federal NDP leader seeking his views on the results and, if so, what amount of air time was devoted to the item?

2. Did the programme balance this by also interviewing a representative of the victorious Social Credit Party and, if not, for what reason?

3. Does the lack of such balance indicate a policy of certain CBC personnel applying their personal political views to the news rather than balanced reporting of the news?

4. What are the names and job designations of all persons involved in selecting those to appear on the programme on this particular date?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Yes. Approximately five minutes.

[Mr. Sharp.]

2. No. Urgent messages inviting Mr. Bennett to appear on As It Happens were left at his campaign headquarters in Kelowna, at the Social Credit office in Vancouver, at Mr. Bennett's home, his business address, at the location of a press conference called for the evening, and with Mr. W. A. C. Bennett. CBC's calls were not returned.

3. The CBC does not agree with the suggestion that its coverage is unbalanced.

4. It has not been customary to require the CBC to provide such details about its staff. The background of this custom is explained in detail in the reply to Question No. 2,530, May 22, 1975.

CHECK BY RCMP FOR LISTENING DEVICES

Question No. 3,909—**Mr. Cossitt:**

Since April 20, 1968, has Harrington Lake, the official summer residence of the Prime Minister been checked by the RCMP for listening devices of any kind and, if so (a) on how many occasions (b) on what dates (c) was anything discovered by the RCMP (d) what was the nature of the discovery (e) what steps were taken by the RCMP (f) what was the origin of such listening devices?

Hon. Mitchell Sharp (President of the Privy Council): Inspections of premises are carried out as considered necessary to ensure the confidentiality of Cabinet and related discussions. It is not considered to be in the public interest to provide detailed information about these or other security arrangements.

CHECK BY RCMP FOR LISTENING DEVICES

Question No. 3,922—**Mr. Cossitt:**

1. Since April 20, 1968, has the RCMP checked the departmental offices or the House of Commons offices of any members of the Cabinet for electronic listening devices or other methods used for similar purposes and, if so (a) on how many occasions (b) what is the (i) identity of the Minister (ii) date in each case (c) on whose request were such checks made?

2. Did the RCMP discover any such devices and, if so, what (a) is the name of the Minister (b) is the nature of the device discovered (c) are the details concerning the identity of the person or persons who were responsible for such devices?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question 3,909.

CHECK BY RCMP FOR LISTENING DEVICES

Question No. 3,923—**Mr. Cossitt:**

Since April 20, 1968, have any rooms, where the Cabinet meets, been checked by the RCMP for listening devices of any kind and, if so (a) on how many occasions (b) on what dates (c) what are the dates that any devices of any kind were discovered and what steps were taken by the RCMP (d) where did such listening devices originate?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question 3,309.

CHECK BY RCMP FOR LISTENING DEVICES

Question No. 3,924—**Mr. Cossitt:**

Since April 20, 1968, have any offices occupied by the Prime Minister been checked by the RCMP for listening devices of any kind and, if so (a) on how many occasions (b) on what dates (c) was anything

discovered and, if so, what (i) was the nature of the discovery (ii) steps were taken by the RCMP (iii) was the origin of such listening devices?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question 3,909.

MR. COURTNEY TOWER'S STATEMENT ON RCMP CHECK FOR LISTENING DEVICES

Question No. 3,925—**Mr. Cossitt:**

1. Did Mr. Courtney Tower, Acting Press Secretary to the Prime Minister, state publicly recently that the RCMP had checked the Prime Minister's Office and the Cabinet meeting room in the Parliament Buildings for electronic listening devices and, if so (a) for what reason did he make such information public (b) what was the reason that the check was made and at whose request?

2. Did Mr. Tower state that such checks will be made more frequently and, if so, what is the reason for the increase?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a) In reply to a direct question, Mr. Tower confirmed that the rooms in question had been checked. (b) See answer to question No. 3,909.

2. Mr. Tower stated that checks will be made more regularly. The reason is given in the reply to question No. 3,909.

MAJOR P. A. LEMIEUX'S STATEMENT ON CHECK BY RCMP FOR LISTENING DEVICES

Question No. 3,926—**Mr. Cossitt:**

Did Major P. A. Lemieux, head of security for the Privy Council Office, recently state publicly that the offices of Cabinet Ministers are checked by the RCMP on request by Ministers for electronic listening devices and, if so, is this service available to all Members of Parliament on request and, if not, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Lemieux made the statement in reply to a direct question. The service is available to Members of both Houses of Parliament through the appropriate Speaker and within the limits of resources.

CHECK BY RCMP FOR LISTENING DEVICES

Question No. 3,927—**Mr. Cossitt:**

Since April 20, 1968, have any listening devices or anything of a similar nature been discovered by the RCMP in any government buildings located in Canada and, if so (a) on how many occasions (b) what was the exact location and date of such discoveries (c) what action was taken by the RCMP (d) what was the origin of such device?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question 3,909.

CHECK BY RCMP FOR LISTENING DEVICES

Question No. 3,928—**Mr. Cossitt:**

Since April 20, 1968, has 24 Sussex Drive, the official residence of the Prime Minister, been checked by the RCMP for listening devices of any kind and, if so (a) on how many occasions (b) on what dates (c) was anything discovered by the RCMP (d) what was the nature of the discovery (e) what steps were taken by the RCMP (f) what was the origin of such listening devices?

Hon. Mitchell Sharp (President of the Privy Council): See answer to question 3,909.

EXTERNAL AFFAIRS—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,000—**Mr. Jelinek:**

1. Does the Department of External Affairs make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

PUBLIC WORKS—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,001—**Mr. Jelinek:**

1. Does the Department of Public Works make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

TRANSPORT—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,002—**Mr. Jelinek:**

1. Does the Department of Transport make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

FINANCE—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,003—**Mr. Jelinek:**

1. Does the Department of Finance make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

TREASURY BOARD—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,004—**Mr. Jelinek:**

1. Does the Treasury Board make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

Order Paper Questions

POST OFFICE—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,005—**Mr. Jelinek:**

1. Does the Post Office Department make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

ENERGY, MINES AND RESOURCES—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,006—**Mr. Jelinek:**

1. Does the Department of Energy, Mines and Resources make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

LABOUR—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,007—**Mr. Jelinek:**

1. Does the Department of Labour make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

COMMUNICATIONS—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,008—**Mr. Jelinek:**

1. Does the Department of Communications make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

NATIONAL REVENUE—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,009—**Mr. Jelinek:**

1. Does the Department of National Revenue make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

[Mr. Sharp.]

REGIONAL ECONOMIC EXPANSION—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,010—**Mr. Jelinek:**

1. Does the Department of Regional Economic Expansion make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

MANPOWER AND IMMIGRATION—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,011—**Mr. Jelinek:**

1. Does the Department of Manpower and Immigration make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

NATIONAL DEFENCE—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,012—**Mr. Jelinek:**

1. Does the Department of National Defence make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

SUPPLY AND SERVICES—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,013—**Mr. Jelinek:**

1. Does the Department of Supply and Services make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

NATIONAL HEALTH AND WELFARE—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,042—**Mr. Jelinek:**

1. Does the Department of National Health and Welfare make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

VETERANS AFFAIRS—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,043—**Mr. Jelinek:**

1. Does the Department of Veterans Affairs make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

CONSUMER AND CORPORATE AFFAIRS—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,044—**Mr. Jelinek:**

1. Does the Department of Consumer and Corporate Affairs make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

AGRICULTURE—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,045—**Mr. Jelinek:**

1. Does the Department of Agriculture make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

INDUSTRY, TRADE AND COMMERCE—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,046—**Mr. Jelinek:**

1. Does the Department of Industry, Trade and Commerce make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

ENVIRONMENT—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,047—**Mr. Jelinek:**

1. Does the Department of the Environment make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

SOLICITOR GENERAL—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,048—**Mr. Jelinek:**

1. Does the Department of the Solicitor General make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

URBAN AFFAIRS—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,049—**Mr. Jelinek:**

1. Does the Ministry of State for Urban Affairs make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,050—**Mr. Jelinek:**

1. Does the Department of Indian Affairs and Northern Development make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

ENVIRONMENT (FISHERIES)—DIRECT TRANSFER PAYMENTS TO PROVINCIAL GOVERNMENTS

Question No. 4,051—**Mr. Jelinek:**

1. Does the Department of the Environment (Fisheries) make direct transfer payments to the provincial governments and, if so, under what programmes?

2. For each programme, what were the payments to each province for the fiscal years (a) 1973-74 (b) 1974-75 (c) 1975-76?

Hon. Mitchell Sharp (President of the Privy Council): See Federal-Provincial Programs and Activities 1975.

OWNERSHIP AND OPERATION OF CANADIAN SECTIONS OF THOUSAND ISLANDS BRIDGE

Question No. 4,056—**Mr. Cossitt:**

Is it the government's intention to take over ownership and operation of the Canadian sections of the Thousand Islands Bridge from the Thousand Islands Bridge Authority as of March 1, 1976 and, if so (a) is it aware that this may result in a municipal property tax loss of approximately $27,000 a year to the Township of the Front of Leeds and Lansdowne, County of Leeds (b) has the government decided to make a grant in lieu of taxes to the municipality to compensate for the tax loss and, if not, will it agree to such an annual payment?

Hon. Mitchell Sharp (President of the Privy Council): Yes as per Bill C-82 which is now before the House. Since the Bill is slated for early debate and passage, the hon. member shall have the opportunity to raise the above and other questions on this subject.

PRIME MINISTER'S TRIP TO WESTERN CANADA, DECEMBER, 1975

Question No. 4,058—**Mr. Cossitt:**

1. What means of transportation was used by the Prime Minister for his holiday trip to and from Western Canada at the end of December 1975 (a) who owned and operated such transportation (b) was a regular commercial airline used at any time and, if so (i) which one and what flights (ii) what factors permitted such exemption from the Prime Minister's stated position that he could not use regular airlines for security reasons on the recommendation of the RCMP?

2. Will the Prime Minister in future use regular commercial airlines for all personal and pleasure trips for purposes of cutting down on government expenditures?

Hon. Mitchell Sharp (President of the Privy Council): According to Beauchesne, questions must not repeat in substance or with slight variations questions already answered, a situation which applies to this inquiry.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 3,596 could be made an order for return, this return would be tabled immediately.

[*English*]

Mr. Speaker, I ask that questions Nos. 3,255, 3,257, 3,258 and 3,260 be made orders for returns, and I also ask the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

[*Text*]

BUDGET AND PERSONNEL FOR EACH DEPARTMENT AND AGENCY

Question No. 3,255—**Mr. Orlikow:**

1. For each department and agency, what was the total (a) budget allocation for (b) number of persons employed as (i) casual (ii) term casual (iii) other temporary employees for the fiscal year 1975-76, as of October 1, 1975?

2. In each case, how much of the budget, in dollars, had been spent as of October 1, 1975?

Return tabled.

BUDGET ALLOCATION FOR CONTRACT EMPLOYEES FOR EACH DEPARTMENT AND AGENCY

Question No. 3,257—**Mr. Orlikow:**

1. For each department and agency, what was the total budget allocation for contract employees for the fiscal year 1975-76, as of October 1, 1975?

2. In each case, how much of the budget, in dollars, had been spent as of October 1, 1975?

3. In each case, what was the total number of persons employed under contract as of October 1, 1975?

Return tabled.

REORGANIZATION OF EACH GOVERNMENT DEPARTMENT AND AGENCY

Question No. 3,258—**Mr. Orlikow:**

1. For each department and agency (a) on what date was the most recent reorganization completed (b) what contracts were awarded in connection with the most recent reorganization (c) what was the total cost of such contracts?

2. In each case (a) what contracts are currently in effect in connection with possible or anticipated reorganization (b) what are the amounts of such contracts?

Return tabled.

SPECIAL ASSIGNMENT PAY PROGRAMME

Question No. 3,260—**Mr. Orlikow:**

In each fiscal year 1970-71 to date (a) how many persons were appointed to departments and agencies under the special assignment pay programme (b) how many were assigned to French language units (c) what was the total cost of the programme?

Return tabled.

TEMPORARY RELEASE PASSES TO DANGEROUS SEX OFFENDERS

Question No. 3,596—**Mr. Reynolds:**

1. Will the Solicitor General advise for what reason the following inmates who are declared as dangerous sex offenders in the Canadian Penitentiary Services Temporary Absence report were allowed to be released on temporary absences (a) Ferndale Institution (i) inmate No. 3201, number of passes—21 (ii) inmate No. 5838, number of passes—32 (b) Agassiz Correctional, inmate No. 6751, number of passes—40 (c) Mountain Prison (i) inmate No. 7009, number of passes—82 (ii) inmate No. 4374, number of passes—4 (iii) inmate No. 9581, number of passes—1 (iv) inmate No. 2697, number of passes—10 (v) inmate No. 8474, number of passes—1 (vi) inmate No. 7928, number of passes—5 (vii) inmate No. 3172, number of passes—3 (viii) inmate No. 9768, number of passes—10 (ix) inmate No. 3012, number of passes—8 (x) inmate No. 6244, number of passes—50 (xi) inmate No. 7929, number of passes—3 (xii) inmate No. 4947, number of passes—9 (xiii) inmate No. 2664, number of passes—13 (xiv) inmate No. 3794, number of passes—17 (d) Western Psychiatric Centre, inmate No. 4737, number of passes—2 (e) Matsqui Medium, inmate No. 2712, number of passes—6 (f) William Head Institution (i) inmate No. 5922, number of passes—30 (ii) inmate No. 5918, number of passes—2 (g) Saskatchewan Farm Annex, inmate No. 3997, number of passes—5 (h) Saskatchewan Penitentiary, inmate No. 3141, number of passes—2 (i) Stony Mountain Farm Annex (i) inmate No. 1979, number of passes—27 (ii) inmate No. 1880, number of passes—42 (iii) inmate No. 1258, number of passes—9 (j) Warkworth Institution (i) inmate No. 9043, number of passes—5 (ii) inmate No. 8762, number of passes—2 (iii) inmate No. 0460, number of passes—4 (iv) inmate No. 0415, number of passes—7 (v) inmate No. 9091, number of passes—17 (k) Joyceville Institution (i) inmate No. 9127, number of passes—1 (ii) inmate No. 9036, number of passes—8 (l) Frontenac Institution, inmate No. 4111, number of passes—4 (m) Collins Bay (i) inmate No. 1179, number of passes—5 (ii) inmate No. 7976, number of passes—2 (iii) inmate No. 8167, number of passes—2 (iv) inmate No. 5386, number of passes—2 (n) Millhaven Institution, inmate No. 9988, number of passes—5 (o) Regional Reception Centre, inmate No. 7345, number of passes—3 (p) Ontario Psychiatric Centre (i) inmate No. 6916, number of passes—6 (ii) inmate No. 9514, number of passes—1 (iii) inmate No. 8038, number of passes—2 (q) Leclerc Institution (i)

inmate No. 3650, number of passes—6 (ii) inmate No. 9257, number of passes—14 (r) Laval Institution (i) inmate No. 0012, number of passes—3 (ii) inmate No. 0044, number of passes—2 (s) Quebec Psychiatric Centre, inmate No. 9299, number of passes—11 (t) Montée Saint-François, inmate No. 9697, number of passes—2 (u) Westmorland Institution (i) inmate No. 7139, number of passes—11 (ii) inmate No. 2506, number of passes—4 (iii) inmate No. 2639, number of passes—2 (iv) inmate No. 5457, number of passes—14 (v) Springhill Institution, inmate No. 2142, number of passes—17?

2. Will the Minister advise if the releases were contrary to the Commissioners Directive No. 228 of the Canadian Penitentiary Service?

3. On what date was each inmate sentenced and to what term?

Return tabled.

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Subject to the conditions expressed by the parliamentary secretary, is it the pleasure of the House that the questions enumerated by the parliamentary secretary shall be deemed to have been answered.

Some hon. Members: Agreed.

Mr. Sharp: Mr. Speaker, on a point of order, I would like to reassure hon. members that I will be putting down a notice of motion on the motion that I proposed be adopted, by unanimous consent, today. I will be putting it down today.

Mr. Speaker: There are one or two minor procedural matters to be clarified before we proceed with orders of the day. A motion stands in the name of the hon. member for Halifax-East Hants (Mr. McCleave) and it is to be seconded by the hon. member for Toronto-Lakeshore (Mr. Robinson). It is substantially a motion which has remained on the order paper for some time in their respective names. On the other hand, it has been slightly modified.

It has been agreed that this subject matter will be debated today, that an allotted day would be used for the purpose of that debate, and that the motion would come to a vote at 9.45 this evening. However, it is not to be considered as a votable motion upon an allotted day. These are some understandings I have. What has happened is that the motion standing in the name of the hon. member for Halifax-East Hants has been rolled into today's subject and it will therefore dispose of that motion. This is an allotted day that will culminate in a vote, but it is simply the consecration of an allotted day to the vote and discussion of this matter and is not to be considered a vote of confidence in the way a vote on an allotted day would ordinarily be considered. Is that understood and agreed?

Some hon. Members: Agreed.

Statutory Instruments

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REGULATIONS AND OTHER STATUTORY INSTRUMENTS—CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. Robert McCleave (Halifax-East Hants) moved:

That the Seventh Report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Tuesday, December 16, 1975, be concurred in, and that the committee be authorized to examine the matters referred to in paragraphs 1, 2 and 3 of the said report during the balance of this session.

He said: Mr. Speaker, some years ago when I first came to this place I was told one should always make one's speech as if it were one's last speech. Feeling the way I do today that might be more prophetic than otherwise. In any event I can claim to be about as representative of my area of Canada as anyone could be in this regard. My area is ravaged by approximately 30 per cent influenza and I think that after I have battled it for a week I probably have at least 30 per cent influenza. In any event, Sir, I will try to do the best I can on a subject which I regard as important and on which the House has given certain of us special responsibilities for more than a year. I hope we can persuade the House that the motion which stands before the House today amended somewhat should receive the favour of the House.

Perhaps my main job will be to outline more or less what we have attempted to do in respect of the task that was set before us, and how we have handled it in the last year or so. The task originally started in the Standing Committee on Regulations and Other Statutory Instruments. In addition to the multitude of orders in council, regulations and other directives from government or government departments that could be considered to be statutory instruments, all of which amounted to at least 1,000 documents a year, it was also considered that this particular committee, which was a joint committee of both Houses, should look into two other matters. One concerned the guidelines the government uses in dealing with notices of motions for the production of papers. The second reference to the steering committee concerned the subject matter of a bill that has been dear to the heart of the hon. member for Peace River (Mr. Baldwin), the House leader for the Conservative party, for a good number of years.

I think it can be said, without paying exceptional favour to one member, that to consider the matter of freedom of information, which is what we are dealing with, without knowing the role of the hon. member for Peace River would be like staging Romeo and Juliet without at least one balcony. The hon. member for Peace River has over the years, going back at least a decade in my recollection, and surely for most of his parliamentary career, concerned himself with the subject of freedom of information. I hope he will be taking part in the debate later today, so I shall not dare to anticipate the wisdom he will give the House.

We had these two references to the committee: first, the guidelines which should govern us in dealing with notices of motions for the production of papers and, second, the subject matter of the freedom of information bill. How have we responded thereto? I think we have responded in

a pretty reasonable way. We held 15 or 20 meetings to deal with those two topics. I should like to acquaint the House with the witnesses who appeared before the committee. We had the President of the Privy Council (Mr. Sharp); we had Professor Donald C. Rowat of the academic community; we had Dr. Davidson Dunton who is now president of the Ontario Press Council. Dr. Dunton, as many of us will realize, was president of the Canadian Broadcasting Corporation, a noted academic as president of Carleton University and one very familiar with the intricate relations, if I may use that term, between government, government departments and the public.

We also had before the committee the hon. member for Kenora-Rainy River (Mr. Reid) in his then capacity as parliamentary secretary to the President of the Privy Council. We had before us Miss Lise Paquette, who had an official position in the Privy Council office, I believe, with regard to the answering of members' questions, and we had the hon. member for Peace River. We had such distinguished public servants as the former Clerk of the Privy Council, Gordon Robertson, Dr. Gordon Smith and Mr. D. F. Wall. We had some young civil libertarians from the Ottawa community. We had that well known intellectual public servant, private servant and university servant, Dr. Maxwell Cohen, and we had the awesome figure of Robert Cooper who is the ombudsman for CBC. Those were our witnesses in addition, I might say—and I will refer to this again in a few moments—to people of the committee itself.

● (1530)

We arranged a trip to the U.S.A., to Washington, where we studied the freedom of information act which came out originally in an early Kennedy year and then was amended in a Nixon year—quite a remarkable piece of legislation, more particularly as it was amended in the post-Watergate situation. We dealt there with members of the executive and members of the Senate and the House who were responsible in large measure for bringing this act about. We dealt there with what I would call the Nader group for short, but I would identify them as those who espoused particularly the interests of special or general consumer groups. We had the advantage of all those people in dealing with how a freedom of information act should operate. We heard from the hon. member for Peace River and the hon. member for Kenora-Rainy River on their impressions of the operation of the acts dealing with freedom of information in Sweden, in Finland, in Russia and in other countries: we had the advantage of all their thinking. After hearing all this evidence, we have found ourselves probably with more questions to be answered than when we started out—very important questions as to whether a freedom of information set-up can properly be advanced in Canada.

I will not argue this afternoon for any particular school of thought with regard to freedom of information, but I might well venture one or two of my personal prejudices on this subject. What I am doing, on behalf of the members of the committee, Mr. Speaker and members of the House, is asking that the study be extended. I think we have to hear, for example, from people such as the dominion archivists about the release of information in its time. I think we should have the parliamentary librarian, and other witnesses probably from the academic community.

[Mr. McCleave.]

I suspect that as a result of what we have heard from the Federal Bureau of Investigation in the United States we must have before us either the RCMP or at least representatives of police associations to deal with the matter of freedom of information. I hope I will be allowed to beg off these particular specialties as to police information, because I am confident that my parliamentary colleagues will rush to a rather fading voice and tell us something about what was heard in Washington when we talked to members of the Federal Bureau of Investigation to find out the problems they have encountered under the freedom of information act.

I should like to put a couple of quotations on the record. The first is an excerpt from a hearing which the committee held on Tuesday, February 25, 1975—almost a year ago—when we had before us Professor Donald C. Rowat who was then, and perhaps is now, president of the Canadian Political Science Association. He made the following point about going to Sweden to study the openness of the Swedish system with regard to the provision of information. At page 15:9 of our proceedings of that day he is recorded as having said the following. He is referring to a reporter of the Swedish equivalent of the Canadian Press, that is, the big, national press agency in Stockholm. He had discussions with them and they asked him to accompany one of the reporters who was going on his rounds to government departments the next day. That was arranged, and he went with the reporter. This is the eye-opener, and I hope that the following words will be remembered by everybody when they make up their minds tonight on this debate. Professor Rowat said:

> So I went with him and, to my amazement, I found that in every government ministry and department there was a press room where the incoming and outgoing mail was laid out each morning for an hour. Now, this did interfere a little bit with government work as these documents and files were not available to the civil servants while they were laid out in the press room.

In other words, there was an opportunity for members of the press, at least on behalf of the public, to go into these government departments and find out what was in the mind of the citizens of Sweden. To me that was an eye-opener. Even the prime minister's office in that country could be held open to inspection as to what occupied people's minds. We simply do not have that sort of system here. Whether we want it here is another question. It may be that members would think that this is going a little too far, or they may think it goes very much too far—I do not know that—but I would think that, at first blush at least, it is a recognition that a more candid view of the operations of government should be available to the public.

The other quotation I would like to put on the record is from Dr. Davidson Dunton who gave evidence to the committee on Tuesday, March 4. There is a lot of material that should be read and studied by hon. members with regard to this important topic, but I will not attempt to read much more. I thought that Dr. Dunton put it as well as anybody when he said, as recorded at page 17:5 of that issue:

> It is our view that in a situation like this, government should be much more open than it is. Citizens—not just people in the government—should have a right to the greatest possible amount of information about things the government is doing or will do and therefore will affect the lives of citizens and which, incidentally, citizens are paying for.

Over and over again we had, in the deliberations of the committee, in the correspondence that each of us received and, I dare say, in the correspondence that members of the public sent to us for our attention, the question as to why they cannot find out about this or that. They say that the government commissioned a study on, let us say, the safety of snowmobiles, and why should all that be stuck away behind some departmental privilege? Should it not be out in the open? When people are paid through our taxes to carry out studies which involve the health and well-being of the citizens of Canada, why cannot everyone know about it?

● (1540)

These complaints have come in. Mr. Cooper, the CBC ombudsman, gave us half a dozen. One of the reasons I hope the House will accept the motion today is that we are now getting answers from government departments, but because we referred the subject matter to the House, as we did just before Christmas, it is felt that these answers really cannot be studied or made public until we have our terms of reference back again. That may seem like a very technical point, but in this business where technicalities sometimes are very important we have to consider that sort of thing. I have tried to give my remarks some flavour; I realize not perfectly, but others will make up for my deficiencies with hearts, spades and more pizzazz that I am able to muster.

With regard to the future of the operations of the committee, there is at least one group which would like to come before us to make its presentation. The members of the Canadian Bar are starting to assemble some thoughts on the matter of freedom of information. From time to time overtures have been made to the parliamentary press gallery, the lone representation of which today is certainly a fighter for freedom of information. He is the man who took on the Nova Scotia censor board singlehandedly and has done rather well for himself. In any event, we hope the parliamentary press gallery will concern itself with a topic which must bother its representatives in their day-to-day activities in Ottawa.

I said I would not give very many thoughts of my own on this topic, and I will not, except that I hope two things will happen. First, I hope that the whole matter can be turned around and the basis will be that there should be such a policy of openness that departments, bureaucrats, ministers and the like who want to keep something back would have to establish why information should be withheld. That is just a personal feeling. The second thing is that from the moment of inception of a freedom of information act it would be regarded as essential by all ministries that from the moment a file is opened the material in that file should see the light of public scrutiny at the request of any reasonable person who comes, without any special animus, to see it.

While I have not presented the matter with any great nerve—and I cannot—I hope that with those two thoughts in mind the House will give consideration to the motion which stands in the name of myself, seconded by the hon. member for Toronto-Lakeshore, and that we will be given back the mandate to carry on the studies. I think the House would indeed be pleased with what we come up with in, say, several months' time.

Statutory Instruments

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, first I want to congratulate the chairman of the Standing Committee on Regulations and Other Statutory Instruments, and also his co-chairman, Senator Forsey from the other place, for the job they have done in leading the committee and trying to keep the committee on the rails in spite of its particular desire to go off and follow its own hobby horses. It would be remiss of me, also, if I did not congratulate the hon. member for Peace River (Mr. Baldwin) who should be feeling quite happy today—a man who has fought to have this subject aired before the House of Commons. He has had some notable accomplishments and has seen some progress being made with regard to resolving the problems which he has been prominent in bringing to the attention of the House.

I believe this is an important debate because to some extent it will dictate the kind of government we will have in the future. The kinds of solutions to the problems the government faces are largely wrapped up in the amount of information which is made available to citizens in the complex world in which we live.

I come to the matter of dealing with freedom of information, not out of any ideological bent but from a practical point of view after having served for 2½ years as parliamentary secretary to presidents of the privy council. One of the things which has sparked my attention has been the fact that the person or the group which is hurt most by the secrecy of government is the government itself. One of the difficulties we have is that in a complex society there is a tendency for governments and others to think that they, indeed, have all the information required to make a particular set of decisions. In point of fact, when one looks at those decisions and when one looks at the supporting information behind those decisions, it becomes perfectly clear that the greatest victims of secrecy are governments themselves.

I do not think it is necessary to give many examples: two will be sufficient. The first example is that since we have entered into the anti-inflation program nowhere have I seen, in any of the documents the government has provided, a reasonable, full and complete explanation of why the government changed its mind at the time it did and went into the program. In view of the fact that there are some sectors of our society opposed to the program, it seems this is a rather unfortunate omission, particularly since most of the statistical information and other arguments are readily available. Here is an example of how the government has managed to hurt itself.

Let me give another example of the limitations the government automatically imposes upon itself by not making available to citizens the data bases on which it bases its decisions. When we went into the anti-inflation program, the government in its wisdom considered that there were approximately 1,500 firms in Canada which fitted under the guidelines, that is, those which had more than 500 employees. Now that we are into the program, what do we find? We find that the number now is approximately 6,500, and still rising. Out of a desire to protect itself and its own deliberations, the government has made decisions and has hurt itself in trying to convince Canadians of the adequacy of the course it is following, and it has

made decisions which seem to be incorrect on the basis of the information that was its own data basis.

It seems to me that in the complex society in which we live, where the issues are very difficult to comprehend, even for the experts—and there are too many experts—we very often do not have an opportunity to have their discussions and preliminary decisions aired to a wider range of people so that the holes therein can be picked at, discovered and corrected; and the people who suffer most are the Canadian people who elect a government which has a fear of providing this additional information. So I want to say at the onset that I fully support the motion. I hope the House will support it, and I hope the government will take to heart the findings and discoveries which are slowly coming to it, one of them being that the government itself and the party in power often is hurt more by this excessive devotion to secrecy than anyone else.

It seems to me that the function of debate in the country and in the House is to explore in a reasonable way the alternatives available to the country, and for the House and the government to decide just what is best for us all. Nobody wins in the game of politics when we make wrong decisions based on inadequate information, which so often is the case and as we have before us in the current set of circumstances. I want to emphasize my support and the fact that I believe we are on the verge of making some significant progress in this regard. I think credit should be given to the joint committee which has laboured on this matter and provided a focal point for Canadians interested in the subject.

● (1550)

I have noted the dilemma the government faces in terms of the inadequate data base and the assumptions it makes that it has an adequate one. It is difficult to have debate in this country if we do not have some information on the data base. One of the most frustrating things is to see debate in the House of Commons or in the country where participants are using separate bases of fact. In such cases, there can be no meeting of minds. In most cases, however, one can have fruitful debate where there is agreement on the basic facts. It strikes me that the government is the institution most capable of synthesizing the facts. Through a wide variety of sources it has a greater opportunity to make available the information in the bowels of its operations than it now does.

It is extraordinarily difficult to get the information out, and there are two reasons for that. The first is the desire of people within the civil service to protect their position, and the second is to some extent the socialization that goes on. When a person enters the civil service he feels that he must protect his data base and hold it for his superiors and the government. That means that when the ordinary citizen asks for information he is often met with a refusal, mainly because of this socialization. People prefer to protect themselves by not giving out information. It is built into the system, and that built-in bias is one of the things that must be dealt with. I do not deny that it will be difficult.

The second element often is the particular desire of departments or sections within departments to protect information they have obtained. The saying "knowledge is power" applies here. Very often it is difficult for the other

sections of government to get that information or research. In my experience of trying to ferret out information for members of parliament I have found this one of the most difficult obstacles to overcome. It is also a psychological problem, and it has to be beaten.

I believe the first thing the committee should do is recommend that the existing guidelines for the production of papers—which is a matter before the committee now as a separate reference—be brought down in the form of legislation. I believe that psychologically that would give a great deal of impetus to breaking down the internal barriers that exist not only within the civil service but also among ministers. I think the very fact of putting those guidelines into legislation and amending them where required, so that the committee could come back with the recommendations and also the precise wording the government might use, would be helpful: it would be a constructive step. We would accomplish the end of putting the guidelines into statute law. If we were to include as a preamble the first sentence of the guidelines to the effect that the basic premise was to be that all information should be freely available, with the exceptions, the premise would override a great deal of the objections hon. members might have.

If we were to make that recommendation, we would also provide a speedy way of resolving the inevitable differences that occur, that is, that the government can choose who can have information and whether it should or should not be released. The system I would recommend, ideally, would be that used in Sweden. The hon. member for Peace River and I were quite surprised to find out that when there was conflict between members of the public for information and the bureaucracy which did not wish to provide it, those cases were settled within one day. If the matter went to the supreme administrative tribunal, it could take two or three days. The settlement of cases under freedom of information was considered a priority issue and was done swiftly, not by the courts but by the administrative tribunal. Perhaps one might want to think of a system that could be incorporated in a bill that would provide speedy resolution of these problems in a manner fair and consistent with our conditions.

My suggestion is to adapt the system used in the Unemployment Insurance Act. Where there is a dispute after the board of referees has made a decision on an appeal, one can appeal to the umpire. The umpire is a federal court judge acting as the final court of appeal under the system set up under the Unemployment Insurance Act. I believe that if one were to put in a proper time limit—say one working week—perhaps the federal court judge might not be available for this, but some other court could be developed and that would provide a speedy resolution to the problem of what was and what was not acceptable. It seems to me the jurisprudence would be relatively simple and there would be a quick way of solving the problem. At the present time, cabinet is the final court of appeal as to whether documents or information requested shall be released. This is, clearly, not satisfactory to all members of the House of Commons. In my experience, it was not always satisfactory to me as the person having some responsibility for the administration of the guidelines. I believe these would be a valuable series of recommendations. I believe the committee should take them and deal

with them as its first item of business once the current round of hearings has been completed.

The other problem that comes to mind is quite important, and that is the conflict between privacy and freedom of information. The example given by the chairman, of the Swedish system, whereby incoming mail to the government is exposed to the eyes of the world, and also the replies, strikes me as being a very unique set of circumstances and not one that I should care to see duplicated in Canada. I believe any citizen has the right to write to his member of parliament, his government, and to be sure that information is confidential between him and his government, between him and his member of parliament or, indeed, anybody else. I do not believe that I, as a third person, have the right to look upon anybody's correspondence with the government; that is correspondence that is private between the individual and the government.

I think for any kind of freedom of information we should be looking upon it from the point of view of whether there is conflict between freedom of information and the right to privacy. We should put emphasis on the right of privacy of individuals or organizations communicating with the government. That is fundamental to our kind of society, and I would hate to see it destroyed. This means that what we are doing, unlike the Swedish example, is ensuring that if I write to the Unemployment Insurance Commission or the Canada Pension Plan, my correspondence is private to those government organizations; it is not exposed to the press or to my neighbours. My relationship with my government should be on the same basis as my relationship with anybody else. They are private relations with the government; they are not open to the press and to neighbours.

Mr. Speaker, the other point I want to raise in conjunction with the privacy area is the related dilemma of organizations and individuals who have given information to the government, upon request, on the basis of its confidentiality, or even cases where the government has established programs where people are allowed to go in and participate and the information given to complete the application is also confidential. I believe that kind of confidentiality should continue to be engrained in our system. At the same time, I recognize there are going to be severe difficulties. It seems to me this will be a different question for the committee to work its way through.

● (1600)

There are also some related issues: the right of the government to discuss its policies and alternatives in privacy; the right of civil servants to make recommendations to their superiors and to the cabinet; the right for the internal dialogue in government to continue unabated; and the right of the government itself to reach its own conclusions in its own due course.

I distinguish between the concept of material and information that is factual and material and information based on opinion and conclusion. There must be such distinctions. The former minister of finance, the hon. member for Ottawa-Carleton (Mr. Turner) said that only about 10 per cent of what is in a cabinet document really has to be secret. The only difficulty is that nobody agrees on which 10 per cent should be secret and which 90 per cent should be released to become public knowledge. If hon. members look at cabinet documents which have been published basically in the form of green papers, or at other cabinet documents which have been leaked from time to time, they will readily see that even cabinet documents, because of their structure, can give rise to different claims, different conclusions and even different recommendations. Without doubt, many other government documents structured in the same way should be dealt with in the same way. I submit that the result would be more information being made available to the Canadian people.

In the short time available to me I shall suggest a number of matters to the House and the committee which we must deal with as we consider these difficulties. First, there is the cost of the operation. Clearly, if we are to make more open our process of government and release more information, it will be more costly. An information network will need to be created; it will need to span the country; it will have to provide information quickly, and not delay it. Second, the issue of bilingualism arises. With the development of a bilingual capacity in the civil service, and as more and more high level civil servants can read and understand both languages, an inquiry can be brought to the attention of a civil servant in the language of the originator. The question then is, are the documents requested to go out in both languages or only one? Since we are discussing the principle of freedom of information, should not a document provided be in the language of the originator?

Third, we should look at time limits within which documents and material should be provided. Although I do not have any positive information, it strikes me that the ten working days provided in the American legislation is too short in view of the complexity of material being requested. That has been the complaint with regard to the American legislation. Perhaps we should consider a series of graduated times depending on the complexity of the information requested, or we might set a limit of 20 days. The committee should consider this. Fourth, we must remember, as we become more open, that there will be changes in the operation of the bureaucracy. We should consider this seriously and learn if this process will make the bureaucracy more efficient or less efficient, what the cost benefits will be and what the ultimate effects on the bureaucracy itself will be. I have mentioned the psychological impact which I think will take place even if we accept existing guidelines in legislative form. In my opinion, that should be counted as a considerable plus.

Fifth, we must consider the possible abuses which could arise under the legislation. It was clear, from the experience the hon. member for Peace River and I had in the Scandinavian countries, and clear from the experience in the United States, that there is a potential for abuse under the legislation, particularly in connection with regulatory bodies and regulatory functions. In that area there is tremendous potential for abuse. Sixth, I should like to see a more precise definition as to what information is to be released if indeed we go beyond the guidelines. Information I touched on previously, such as that dealing with privacy, personal records and references to individuals within documents, should be considered as well.

I know my time has almost ended. Let me make one more suggestion. Now that the committee is reaching the end of its work and has come to the end of its hearing of witnesses, the time has come for the government to come before us and present its position in clear terms. This would be most helpful. I invite the government to come before the committee and put forward a position which can be put into legislative form. It is time to do this. We can develop such ideas together in partnership and produce thereby a much better piece of legislation and a much better system of practice than we now have.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I begin by commenting on the last suggestion of the hon. member for Kenora-Rainy River (Mr. Reid). Of course the government will have to be consulted. We must know what they want to do. I hope the committee will formulate its own recommendations. If the government approves, very well; but the committee should tell the government what it thinks should be done in this area: the government should not tell the committee, as my hon. friend suggested. I do not object to consulting the government. If they have plans, I am sure we shall be glad to learn from them about those plans.

The core of the report we are considering has to do with support in principle for freedom of information legislation, which I regard as highly important. The committee's very name deters any great interest in what it does; its very title, "Regulations and Other Statutory Instruments", is calculated to keep people disinterested in the discussion in the committee. The freedom of information aspect of the committee's work affects every citizen, the operation of parliament and government generally. We should seek to destroy secrecy in government and its agencies. There is too much secrecy. Therefore, I personally approve the motion before the House. At least we can debate the principle or the idea that legislation dealing with this subject is necessary.

Without doubt, the events summed up in the word "Watergate" interest and concern the people and legislators of the United States. But Watergate does not affect them only. There is a widespread need for fuller information. We need to have an open, instead of a closed, society. Ralph Nader put it well when said:

> A well informed citizenry is the lifeblood of democracy . . .
>
> In our policy, where the ultimate power is said to rest with the people, a free and prompt flow of information from government to people is essential to achieve the reality of citizen access to a more just governmental process.

What Ralph Nader said applies to Canada and other countries. We must consider two aspects of this matter: the right of parliament and members of parliament to secure information through the giving of notice and asking for disclosure of documents, and the right of the general public to secure information. Both aspects are highly important. Almost every member of parliament can think of matters on which he or she wished to obtain information but with respect to which the government, or an agency of government, refused to disclose information. This has happened to me in matters in which I take special interest, and no doubt almost every other member has had experience similar to mine when trying to secure information concerning various spheres of government.

[Mr. Reid.]

● (1610)

I am thinking, for example, of external affairs. We have an agency known as CIDA, and this agency spends—rightly, in my judgment—a very substantial sum of money. I believe it is essential to the proper operation of CIDA that it should provide public access to information concerning its affairs. Yet a situation developed last session in which a document was prepared, at public expense, by chartered accountants dealing with the subject of the turnover of personnel employed by CIDA. Information contained in this document was refused us, initially by the president of CIDA but later by the then secretary of state for external affairs, now President of the Privy Council (Mr. Sharp). The matter was since raised once in the House and I know that the government used its majority to prevent disclosure of the document in question.

I think of another item which is very recent. We were told by the newspapers in the last day or two that a conference has taken place in London between representatives of seven countries able to produce nuclear reactors and nuclear materials. The conference related to safeguards and agreements as to safeguards so that those materials, when sold, could not be converted into nuclear weapons or, at least, that there was a better prospective of their not being so converted. This conference, Mr. Speaker, was supposed to be secret; no one was supposed to know about it. Here we find the people of the world, whose survival may depend upon effective safeguards, being told, "These matters are being discussed, but you cannot be told anything about what is taking place." I agree there are scientific details which perhaps ought not to be disclosed, but the substance of the discussions is something with which the world as a whole is concerned. Yet, as I say, the public in all countries was denied access to this information.

Again, most people who are interested in the environment know of reports on this subject which have been kept secret, perhaps because they do not suit the particular views of certain elements in bureaucracy, or else disclosed only under great pressure. The fact that they have been made, very often at great public expense, has little bearing on the attitude taken toward publication. In the field of immigration, for example, I know that material of great importance to the immigrant affecting the right to a hearing, review proceedings, and so on, are kept secret, sometimes in the form of guidelines which are never disclosed—not even in the *Canada Gazette* where one can sometimes find these things if one knows enough and looks long enough. Some of these documents which are relevant to the rights people have to a proper hearing are not disclosed, and the Department of Immigration says it has no intention of disclosing them. Indeed, in the special committee only after considerable effort were we able to obtain these documents. Many members of parliament could give similar illustrations of material which could be disclosed without the state being endangered in any way or without harm resulting to anybody. It is time this sort of secrecy became a thing of the past.

I commend the hon. member for Peace River (Mr. Baldwin) upon his bill—it is a pioneer measure in this field—and for the fight he is putting up on this subject. He will probably agree with me that the bill he put forward is

capable of improvement. Nevertheless, the fact that he has brought it forward is an important link in the chain by which we are seeking, through the committee and through the work of parliament, to open the door a little upon what goes on in government. I believe this constitutes a great service to Canadians.

Of course there must be exceptions: nobody doubts this. There are matters of secrecy and there are certain types of confidentiality which require exceptions to be made. We should be careful, though, to ensure that those exceptions are carefully scrutinized to see that they are not a cover for the refusal of information which could perfectly well be disclosed. The framework should not be so loosely drawn as to enable anybody who felt so inclined to say that a particular document or piece of information fell within one category or another of exempted material and thus could be withheld.

I went, with other members, to Washington where we spent an extremely useful day discussing with officials there the United States freedom of information act. This is one field where they are ahead of us, Mr. Speaker. We do not like to think that in a political matter the United States is ahead of us, but in this particular area they are well ahead of us. They have had a form of information act for some time, but they found it to be defective and replaced it with a new one.

We spoke with people responsible for enforcing the act, and we spoke with people on the other side of the fence seeking to obtain information. We found that all parties agreed, in general terms, on the value and importance of the act and their appreciation of an open, as opposed to a secret, society. The 1974 amendments conferred upon every person the right to apply for information. Another thing they did was to provide for tribunals, with a right of appeal, of course, capable of enforcing disclosure and judging whether a claim for exemption was sound or not. This is absolutely essential.

The hon. member for Kenora-Rainy River is not in the House at the moment, but he mentioned that under our system—and this was confirmed by the President of the Privy Council when he gave evidence in the committee—when there is a dispute as to whether something should be disclosed or not, the issue is always decided by the government. Members of the House who are learned in the law know there is an ancient Latin maxim which says that no one should be a judge of his own case. Until there is a tribunal to enforce a decision, to interpret and apply it, we are left with paper which is really not worth too much. There must be provision for judicial or quasi-judicial review.

There are bound, of course, to be difficulties in working out the act, but those difficulties are in no way insuperable. I am sure there might be some nuisance applications for information, but I suppose procedures could be developed to deal with them. We should look to providing applicants with what they have in the United States through the activity of a sort of public interest agency, as they call it there. It is headed by Ralph Nader. I have in mind a body which would assist citizens who are seeking information and would advise them about the legal steps which may be necessary, including the filling in of required forms. I think that is absolutely essential.

● (1620)

Then we must study any proposed freedom of information act in relation to rights to privacy. I would take issue, to a certain extent, with the hon. member for Kenora-Rainy River. I do not think it is a case of "either/or". I think on some matters the right to privacy should prevail; on other matters freedom of information on matters of public interest should prevail. I should not like to be categoric and say that the right to privacy always takes priority over the rights of the public.

As I said some time ago, the President of the Privy Council produced a series of guidelines which were supposed to be binding on parliament regarding production of papers, and suggest that we should legislate to make them effective. I think they are so defective that it would be better if we started at the beginning rather than copied them. There are all sorts of very vague exceptions. There is no adequate enforcement procedure. Indeed, the President of the Privy Council said that the decision whether something should actually be produced should always be left with the government. Be that as it may, I guess it was a step forward when these guidelines were produced.

There has been ample British precedent on this matter. We are supposed to have inherited our tendency toward secrecy in government from the British, but they have moved forward. The Franks commission, which made a report in 1972 on the Official Secrets Act, suggested there was a necessity to repeal the Official Secrets Act and replace it with another act that was far more limited in the exceptions it made in regard to publication of material. Here, again, I think we find a useful precedent. As has been mentioned, Sweden has had long experience in this regard. If we are inclined to think that it is a sort of easy option to make information available, that it will somehow damage the state or the security of the state, then I would remind hon. members that Sweden is a nation outstanding in many respects for its good government, lawfulness and the way in which it manages its own affairs.

I join with my colleagues in hoping that this motion will be passed and that it will give the committee the green light to proceed by taking the general principle that is already approved and putting it into some sort of detailed proposals or legislative form, as the case may be, so that a blow can be struck for freedom and for real democracy in Canada.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I thank hon. members for the words they have spoken in connection with any slight participation I have had in this matter. Once again I would extend my thanks to the members of the committee for the objective and useful way in which the subject matter has been dealt with. When one looks back at the history of this particular project and other projects, one realizes that what we do today is simply the result of things that have been done before. While walking this morning through the corridors of this building, I met Mr. Barry Mather, formerly a distinguished member of the New Democratic Party in this House. Both Mr. Mather and I had bills along this same line of subject matter, at the same time, for two sessions. What has happened? We carried forward this idea for a while and today the idea has been merged into

the report of the committee. I hope that when this day is over the proposal will be merged into a report from the committee to the House on which the House will have pronounced itself. The torch will then go to the government in due course and the government will have some decisions to make.

There is a broader attitude to take toward this issue. For the last month or so, we in this House have been debating issues dealing with economics, inflation, employment and unemployment, law and order, stability, and social benefits for the people of this country. From what I have read of history, parliament in this country and parliaments in other parts of the world were debating issues like those 100 and 200 years ago. If I do not miss my guess, parliaments which succeed us—if parliaments still exist, as I hope they will—will be debating the same issues 200 years from this date.

It is very important to remember that these subject matters are not going to vanish. We are not going to pass laws to make all things good for all people. However, it is very important to make certain that the mechanisms and means that we adopt in this parliament for dealing with these problems are improved. This is something that lies squarely within our competence. There are some problems that we cannot solve, but we can solve the question of our ability as members and our capacity as a House to deal more effectively with these issues. I submit that to do so we have to bring into the decision on these issues the people of the country. We represent the people of Canada in a democracy, but in actual fact people in general participate only to a very slight extent in the decisions that are made. I think this is not because governments and civil servants are vicious or corrupt or bad; it is because they are remote and removed from the impact of the decisions that are made and from policies and spending programs.

When we pass an act that provides that parliament acts by and with the advice and consent of the Senate and the House of Commons, it is not really the case. Formally it is, but in actual practice it is not. I think the mechanisms and means by which we in parliament operate have to be altered and improved so that the people come into the picture as partners, even if only as junior partners, and feel that they are playing a real part in the decisions that are taken.

There is no doubt that in the few democracies that still exist in the world there is a growing gap between the governed and the governors. This is due to a number of factors. There has been cynicism, distrust, doubt, wonder and a feeling that the people are both helpless and hopeless. They have no means of knowing what the government is doing and why it is doing it. I think Watergate was a typical illustration of this. If you remember, Mr. Speaker, Watergate was only a fourth-rate burglary; but it was an attempt by people in authority to cover up problems that ultimately led to the downfall of a president of the United States. It is in that light that I think we should approach this matter as well as the more detailed issues that were raised by hon. members of the House who preceded me. I hope we will get the unanimous approval of members of all parties in the House, and that when the President of the Privy Council (Mr. Sharp) speaks he will indicate that the government accepts the views set out in the committee report calling for acceptance in principle of freedom of information legislation and for reference back to the committee of certain terms of reference that they have felt essential. In that sense, it may not then be necessary to call for a vote, as Mr. Speaker indicated was possible.

● (1630)

I say that because a unanimous decision of this House to support the view set out by the committee will have a very considerable effect on people in the civil service regarding the question of freedom of information. When they find they cannot beat us, maybe they will join us. Then, subject to the exceptions which I know must exist and to which the hon. member for Greenwood (Mr. Brewin) and others have referred, there will in due course be put into place in this House, in this parliament and in this country, a method by which information will be made available. In 1972 the Prime Minister (Mr. Trudeau) said in this House that the—

> —democratic process requires the ready availability of true and complete information. In this way people can objectively evaluate government policies. To act otherwise is to give way to despotic secrecy.

I should like to think the Prime Minister meant those words when he spoke them in 1972 at the time of the debate on and presentation of the task force on information. However, the conduct of the Prime Minister and the government since that time certainly has not given effect to what the Prime Minister said in 1972. I have the suspicion that he was persuaded by his advisers that there had to be a gap between what he said then and actual practice. His principal advisers were quite reluctant in respect of providing information, for a number of reasons, some of which were put forward quite persuasively by the civil servants who appeared before the committee. I think most people who ascend, collectively, the steps of government to the throne feel the same way. I suspect that if I were ever a member of the government—which does not seem very likely at my stage of political life—I would probably feel the same way.

It is essential for us to put into place in this House mechanisms and means by which it will not be possible from this time on for people in the bureaucracy and in the government to refuse to provide in a reasonable way the facts on which parliament must operate. The right to know and to be told the true facts is essential to government.

Today the Leader of the Opposition (Mr. Stanfield) asked about the details of certain agreements in respect of the sale of a CANDU project. He is entitled to that information on his own behalf, and on behalf of members of this House, just as the residents of the Port Hope area are entitled to be told the degree of radioactivity of the waste being poured into the lake and dumped in the vicinity of their homes. This matter is as important to the Leader of the Opposition, in his position, as it is to the people in the community of Port Hope. This principle is important to the members of this House who were inquiring a year ago about reports of bad meat being sold in the province of Quebec, and just as important to the native people living in the Yellowknife area who wanted to know the details of a report about arsenic poisoning in waters near the city of Yellowknife.

It is as important for the hon. member for Central Nova (Mr. MacKay) and other members of this House to find out from the government details of the tendering practices in respect of enterprises such as Sky Shops, and harbour dredging, as it is for individuals to find out what is in the medical records who may have been discharged from institutions. It is important to people who want to know the efficacy of new drugs and the evaluation of consumer goods. Knowledge will always govern ignorance, and people who intend to govern themselves must provide and equip themselves with the power that knowledge gives. That is the motivation behind this debate in which members of the House are engaged at the present time. I received a letter just the other day from a former civil servant in which he said that he—

—was disturbed by the attempts of government employees to prevent ordinary people from obtaining even the most mundane information. Decisions to release documents apparently depended on personal whims of minor public servants. Frequently reasonable requests were simply ignored.

In my opinion, the principle that government information is the property of the public—who, after all, pay for it—should be a right guaranteed in law—

That is from someone who apparently is in the know and realizes precisely what the problems are. For three or four minutes I should like to go over some of the systems which exist in other parts of the world. The hon. member for Kenora-Rainy River (Mr. Reid) spoke of the Swedish system, and I agree with most of what he said in that regard, although I do not think he was being quite objective. There is no question that, while it is not as free and easy as some people have indicated, the Swedish system in respect of freedom of information has been in effect for 220 years and in that period civil servants have been nibbling away at and eroding the principle originally established. Today we see committees in place there which are considering the situation. There is no doubt in my mind that they are attempting, like termites, to erode the system which was put in place.

Because of Watergate, the bill which was in effect in the United States in 1966 has been replaced by an even more stringent measure. Perhaps to some extent they have bitten off a little more than they have been able to digest. But I was told, along with the hon. member for Kenora-Rainy River and other members of the committee, that by and large even those public servants who agonize over the problems of dealing with numerous requests for information agree that this is good legislation and a sound principle. They said they would like some changes as to detail, but they thought it was good. They also said that because of the legislation in the United States, the bureaucrats were writing reports as though members of the public and of Congress were looking over their shoulders. What they are getting in the United States is better prepared reports and, as a result, better decisions. I think we in this parliament and the people of Canada are entitled to the same sort of arrangement.

There is in existence in the United Kingdom an all-party committee consisting of members of the House of Commons, members of some of the learned society and members of the medical community and other groups which is looking into this matter. This committee has proposed a bill that is now being discussed and considered by Mr. Roy Jenkins, a member of the British government who has been indicated by the cabinet as the man responsible. It is my guess that before too many months have passed we will see in place a law in this respect in the United Kingdom.

About 1½ or 2 years ago in Australia, a comittee of civil servants was established by the then prime minister to look into this particular issue and come up with a report. It recommended that the United States' practice and the United States' law with due regard to the differences between the congressional and the parliamentary systems—should be established there. I suggest, therefore, it is time for us to act. I know there will be some argument about detail. We will all agree there must be exceptions. Government cannot be asked to conduct all its discussions in a goldfish bowl. When there are working papers leading up to a decision, then I am quite prepared to accept the fact that those working papers should not be available during the time the decision is being considered. But once the government has arrived at a decision, it would be my submission that all working papers of a factual or statistical nature should be made available so that members of the House, members of the media and members of the public would be able to examine the bases upon which the government acted, and evaluate whether or not the government's decision was sound. So I have no objection to these working papers being treated in that way.

● (1640)

In matters dealing with a criminal offence, obviously it would be fallacy to recommend that during the course of the investigation the material the authorities are looking at should be made available to the public. Matters of true national security—not fictional, but true should be placed outside the ambit of disclosure. This would also apply to matters relating to the protection of privacy. I think we must bear in mind the matter of true privacy and the duty of the government and the people to operate in the interests of all people and the need to balance and to reconcile freedom of information with protection of privacy. However, I suggest that in all these cases the onus must rest on the government, when it wishes to deprive the public of information, to substantiate the fact that the documents in question fall outside the ambit of disclosure. Whenever it is shown that there has been a capricious and unnecessary withholding of information, some punitive action should be taken.

I have in my bill, of course, the suggestion that civil servants who do not comply with a court order to disclose might go to jail for five years. On reflection, I think we do not have enough jails in which to keep all the people who might be involved. But if there should be a determination that the withholding of information in the first instance was irregular and improper, I think there should be some form of action taken as is the case in the United States. I think this is a matter we should consider. We can work it out. We will not agree on everything: that is the nature of this institution. I have discussed this matter with hon. members opposite. I know the President of the Privy Council and I are apart in some areas. I think that probably is because of the difference between his background and mine. But we are together to a remarkable extent on some questions.

Mr. Speaker, I shall not take up too much more of the time of the House because other members wish to participate. I suggest we have a responsibility in the committee and in the House to press ahead to secure a workable bill, not only for the specific purpose of providing information for the public, who should have it, to the members of parliament, who need it, and to the press or the media who, in the course of their function of informing the public have a right to it, but also in an attempt to restore some measure of confidence and trust in the processes of government. I say, with all solemnity, that the passage by this government, with the full approval of the House first of this motion and second of a workable bill, will go a long way toward rectifying the distrust and lack of confidence which now exists.

All we ask is the right to seek the truth. We cannot wait. Time is not on our side. I ask for the support of all members of the House, and of the government in particular. I ask the government to indicate specifically that it accepts the principles involved in the motion. In fact, I would like to see my friend, the President of the Privy council, indicate his position with regard to the passage of legislation. I do not ask him to agree to terms—

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Baldwin: I have finished, Mr. Speaker. I pass the torch to the President of the Privy Council.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I am pleased to support the motion before us which would continue and, indeed, expand the terms of reference of the Standing Committee on Regulations and Other Statutory Instruments. This is an additional duty we are imposing on the committee, but I think members of the House generally would agree this is the most appropriate committee to deal with the matter of freedom of information.

It would be easy to take an extreme position on access to government information. The libertarian extreme would be to say that all government reports, papers and correspondence should be available to the people all the time without regard to context or circumstances. The closed-door extreme would be to insist that, because of the collective cabinet responsibility imposed by our system of responsible government, the only information which should be made known to the public would be statements formally released by the government. Most Canadians will find one extreme as unconvincing as the other.

If all government operations, without exception, were carried out in the public eye, the first casualty would be honest differences of opinion in the public service. Public servants would put in writing only what they thought the public was prepared to hear. In Sweden, for example, in every government department there is a press room where incoming and outgoing mail is laid out every morning for an hour for press and public inspection. Even such personal matters as income tax returns are open to public scrutiny. Consequently, what has happened is that paper has become much less important in government, and everything that really matters tends to be dealt with orally. Taken to the extreme, complete disclosure would seriously impair the effectiveness of government. On the other hand, to limit public knowledge of government to what the government wanted the people to know would amount to a system of managed news and would be a step toward the horrors George Orwell saw for 1984.

Most Canadians would probably agree that the solution has to be a compromise, with a presumption in favour of disclosure, so that the people's right to information should receive maximum possible respect and attention. The thorny question is, what ought to be published? The exceptions allowed cannot be so extensive as to swallow up the rule of disclosure. Since the policy of making available as much information as possible must be balanced against such considerations as effective public administration, protection of the security of the state and rights of third parties to privacy, even the best-intentioned government finds it all too easy to resolve doubtful cases in the direction of secrecy.

The criteria to be applied might well be generally agreed. Security documents, personal correspondence, records and tax returns, legal opinions and matters relating to possible prosecutions should probably not be disclosed. Our system of responsible government also makes the disclosure of proceedings of cabinet meetings and draft government bills inappropriate. On the other hand, government green and white papers and royal commission reports should clearly be published, subject to the withholding of information on possible prosecutions. There should also be no question about the release of task force reports, studies by consultants or, generally, any government report or departmental document on a matter on which work has been completed. The grey area will probably lie in the determination of when work has been finished.

● (1650)

Given the natural inclination of any government to favour its own interest, and the fact that borderline areas do exist, what is needed is a device to strengthen the resolve of a well-intentioned government to disclose and to punish politically a government wishing to conceal. Canada needs an independent information authority which would be able to participate in the decision-making process—to decide what ought to be released and what ought to be withheld. Some suggest the judiciary as an outside authority with the public credibility to do the job. But the task, as I see it, is not of the odd-job variety—to scrutinize documents now and again. It would be an onerous daily task. In order to cope, I believe that the authority involved has to be close to the government process itself.

On the other hand, it would not do to confer the responsibility on an existing minister or department as, for example, the Minister of Justice (Mr. Basford) has been assigned the duty of reporting to parliament on federal laws which infringe upon the Canadian Bill of Rights. There is too much scope for conflict of interest to allow the government to be responsible for its own self-examination in so fundamental an area.

My proposal is for the establishment of an independent information advocate. This new office would be answerable to parliament rather than to the government itself. It would recommend what government information should

be made public and what should not. As an agency within government, the office of the information advocate could, if necessary, pry open every filing cabinet in the government service. In status and independence I would compare the information advocate with the Auditor General, who also exercises a supervisory authority, by parliamentary appointment, for the benefit of the public. In order to assure the advocate's public credibility, the government should propose to parliament, for appointment, a man or woman of unimpeachable independence and integrity. Perhaps he or she could be drawn from a panel recommended by the information media across the country. The advocate's tenure should be either indefinite or for a substantial length of time such as ten years. Within whatever term is adopted, tenure should be on the same basis as a judge's to ensure independence.

Because of the government's collective responsibility to govern, I would leave the ultimate decision whether to release information or not to the cabinet, but I would require the information advocate to report to parliament any instances in which his or her recommendations were not followed by the government. The government would then have to make a public defence. I believe that such a system would create a healthy tension between the cabinet and the advocate in which the government would be publicly challenged when it tried to withhold information which he or she deemed ought to be released. The information advocate, like the Auditor General, would be able to inform the public about things which might otherwise have been swept under the carpet and to require the government to reveal and defend its information practices when necessary.

It seems to me that such a system would preserve both the integrity of the government process—because the review would be from within—and the public's right to know what the government is doing so as to be able to judge it—because of the review itself. It would provide a necessary check on the government, but through a political rather than a legalistic remedy. Ultimately, the failure to disclose would itself be disclosed and that information would be put into the hands of the people for their decision.

It has been objected that, if the advocate made a report indicating reasons why a certain document ought to be disclosed, the content of the document would then be compromised. If reasons were not stated, I agree that public credibility would be lost. Obviously, at least general reasons would have to be advanced and the advocate's discretion as to the degree of disclosure trusted. We can do no better than to rely on the usual political processes and safeguards in such cases.

A freedom of information act enshrining the principle of public access to information would be a useful beginning, but in the absence of an independent authority to interpret it, it would not be a giant step forward. A belief that every government needs independently applied restraints is basic to democracy. As Francis Bacon wrote in a different context centuries ago, knowledge is power. The special committee on statutory instruments, which I had the honour to chair, put it this way in 1969:

> There can be neither responsibility nor accountability when there is no knowledge of what has been done. In political matters knowledge is the beginning of power, and its lack, impotence.

In a democracy, the people can have only as much power as they have knowledge; and an open government will want to ensure that as much power as possible remains with the people, because identification with the people provides a government with the best possible source of power. In conclusion, I might again say that I am pleased to support the motion which is before us today.

Mr. Fairweather: Mr. Speaker, this issue is one which will not go away. I feel somewhat as if I had been around the track several times, because it is the third debate in my time here on the matter of accessibility, accountability and openness in government. I recall very well the time when a person who is now on the treasury benches, the Postmaster General (Mr. Mackasey), years ago took part in a debate. Of course, he was then supporting the concept of openness.

I think the issue was put very well, if I may paraphrase the hon. member for Kenora-Rainy River (Mr. Reid), when he said that it is time for the government to state its intention on the issue of public information. I think that is what the resolution proposes, that the committee will continue its deliberations and consider this question. But I had always hoped that Canada would be the bellwether country in the world. Perhaps other countries have long since made it difficult for us to catch up to them in the matter of openness, but I thought some years ago, when the Pearson government took a look at the whole matter of the Official Secrets Act, that there at least would be a rather forthright report. It turned out, rather sadly, that, through no fault of the then prime minister, it was a rather orthodox document, very much looking backward instead of forward, and very few changes were made in the Official Secrets Act. Now, as a result of the Franks Report in Great Britain and the commitments made by the Prime Minister of the United Kingdom, fundamental changes will be made to the Official Secrets Act in England. This, of course, was an opportunity that Canada once again missed. We could have led the western democracies. Instead of that we are stumbling along and still have not made a commitment.

I think it is right that we recall another important report that was made by a couple of excellent, dwas never allowed the free rein that the commission report recommended for it.

In the few minutes which I have, I propose to deal with the matter of ministerial responsibility and administrative secrecy and suggest several things dealing with government and the bureaucracy which have worshipped far too long at the altar of secrecy and anonymity. The attainment of greater freedom of information and openness in government will not come easily. We have seen that. It is 1976, and many of us are still worshipping at this altar. Several times over the past years I have spoken in the House about the need to, as Professor J. A. G. Griffith has stated—

● (1700)

> —take the lid off the machinery of government, to see how it works, who says what to whom, at what level decisions are taken, what private criteria are used, how far politics is allowed to override those criteria, on what statistical and other facts the decisions are based: this wish does not derive only from curiosity or from party animosity but also from self-interest, from *quis custodiet*, and from a feeling that government represents another group interest.

Perhaps I should identify the Minister of Energy, Mines and Resources (Mr. Gillespie) as being one of the few who might recognize that Latin phrase. I want his children and grandchildren, when they read this debate, to know that at least there was one. However, experience has demonstrated that there exists both in government and the bureaucracy tremendous resistance to scrutiny, openness and accountability. Such candour affronts ministerial and bureaucratic sensitivities. Douglas Fisher described this environment rather well when last December he wrote the following:

> The bureaucrats will appeal—
>
> As they have to the committee.
>
> ... to the principles of ministerial responsibility and their own anonymity. The politicians in power shiver over any eclipse of official secrecy. They fear the lot of the emperor without clothes.

We are confronted here with ministers clothed in secrecy, private dealings and anonymity. When I speak of private dealings, I do not mean the word "deal" in any pejorative or evil connotation. I mean that a deal has been made or an arrangement has been made, within the process, clothed with secrecy and probably if the arrangement was open to the public, the natural suspicions of the public would be sated. Just this past week we saw the example of the Minister of National Revenue (Mr. Cullen) reaching a private accommodation with *Reader's Digest*. I read a somewhat mysterious press release. The newspapers and political commentators spoke about it, and then we heard ministerial statements. The difference between what we are told by unofficial and by official sources makes us conscious of the existence of another hidden world. Many of us, even though we resist this tendency, become cynical. The evasions, the half truths and the falsities shine through the words and we are angered because we are treated somewhat like children. I submit to the treasury benches that only if politicians trust the public can they expect to deserve trust.

An editorial appeared in the Australian Federal Law Review and clearly stated the case when it said:

> Unnecessary secrecy ... has demonstrated an unfortunate pessimism as to the worth of the democratic process.

When the Prime Minister (Mr. Trudeau) makes statements, as he has been doing, calling into question the system and asking Canadians to join in the public debate about our institutions, I suggest—with much sincerity—that the very issue we are debating today is one of the reasons the public is profoundly cynical about the government. Ministerial responsibility is only possible in an open system where parliament—government and opposition—together with citizens gain knowledge of and access to greater information. "It is not that democracy functions better when there is open administration—until this exists, it is doubtful whether there is any democracy at all." So ends the editorial in the Australian Federal Law Review.

The truth is that if anything useful and significant is to be done in a free society, it must be done publicly and in such a way as to consult, involve and carry with it those affected. We are in an age where the legislator has assumed, I submit, a new role—that of building acceptance of government policy. It is not a role many people believe the opposition should have to carry, but in fact it is very much a part of our role because a good deal of the legislation here, and a good many of the decisions of modern government, of course, have no ideological or partisan overtones. Therefore, we who believe in this institution are left with a responsibility to try to build public acceptance. But understanding and consent do not spring from some previous interaction of government and voter at a general election. Rather, it is the constantly renewed product of a continual exchange of information. In his book "Secrecy and Publicity", Francis Rourke observes:

> —in so far as secrecy in government seriously impedes the free flow of communication among citizens, it constitutes a real threat to the informed public discussion that is at the core of democracy. Where this occurs, it is not at all certain that a community should not choose, from the point of view of its own value system, to tolerate some measure of insecurity in order to gain access to information it needs in order to exercise influence over decisions on vital matters of public policy.

I think that the public is mature enough—indeed, backbenchers opposite have shoulders broad enough—to deal with great issues such as the about-face of the Minister of National Revenue on *Reader's Digest* or a broader national debate prior to this government's agreement, for example, to sell nuclear reactors to South Korea and Argentina. I am not now debating whether that is right or wrong; I am debating the fact that we had information after the fact. Now, apparently, even the matter of interest is not to be disclosed. As the *Globe and Mail*'s lead editorial of Tuesday, February 10, 1976 stated:

> It is hard to conceive of a case when it should be more necessary that the government should act, not by executive, but by parliamentary decision. What is at stake is enormous ... It has almost reached the point of cliché to call this government arrogant. Unfortunately, it is a cliché full of truth.

A third example of where this government in recent weeks has demonstrated a gross lack of candour, openness and confidence in the ability of the public to examine the decision-making process in the bureaucracy is the stonewalling by the government of the efforts of the Standing Committee on Regulations and Other Statutory Instruments to gain information from the Department of Justice necessary for its deliberations. I feel genuinely concerned about the former minister of finance, the hon. member for Ottawa-Carleton (Mr. Turner), and the hon. member for Windsor-Walkerville (Mr. MacGuigan) who spoke so eloquently just now—who have made the statutory instruments committee such an integral part of their contribution to the House over the past few years. Here we are, with the statutory instruments committee set up, the legislation in place, and we are being thwarted in our work by the Department of Justice because it takes a much too narrow and legalistic view of statutory instruments themselves. I really deplore this, and I deplore it doubly because the stonewalling comes from the Department of Justice of Canada.

In this regard I want to share with hon. members an eloquent statement made by the former minister of finance when he was minister of justice. In a speech at, I think, Harrison Hot Springs, when the Liberals were trying to give policy delineation for the years ahead, he said:

> We have allowed, by enabling powers and statutes, legislation to be delegated to the cabinet, to ministers, to boards, to commissions by way of regulation ... beyond the control of parliament, beyond the power of parliament to review and revise, and thereby beyond the power of the people to challenge.

● (1710)

Now we have a committee which is attempting to make such regulations and administrative instruments accountable; in other words, to do what the hon. member for Ottawa-Carleton wanted and give a major part of the government's policy initiatives to the Department of Justice. The government and its supporting bureaucracy continue to place roadblocks in the way of the efforts of this committee to do its job effectively. I think it is time these roadblocks were noticed by the public.

I, for one, deplore the fact that we have reached the unfortunate situation where governmental decisions affecting entire populations seem to be made by a few individuals operating on the basis of information with which they alone are familiar. Mr. Speaker, this is an intolerable situation. What can be done to combat this resistance to scrutiny, openness and candour? First, we should be told much more about the background against which decisions are made. Second, there is a vast, shaded area about which most of us know nothing and generally suspect the worst. Flitting in and out of the shadows are those "in the know" and those who wish to appear to be of that number. Goodness knows, in this city there are a lot of the latter. The nearer we are to the source of truth, the more we will hear—though not necessarily the more truths. Foreign affairs and defence are deepest in the shadow. We accept the necessity for some of this, but surely it is much overdone.

The hon. member for Peace River (Mr. Baldwin) reminded us that no rational member of parliament would ever think there should be disclosure of matters affecting the real, the genuine matter of national security. Nobody would expect such secrets to be open. But there is a huge, other area—up into the 90 per cent bracket—which has no possible bearing upon the security of the state. Third, when the government consults with private interests before finally taking decisions, could we not be told something of the bargains struck, the compromises reached, the promises given? I do not indict the compromises. Compromises are part of modern government. What I indict is the fact that nobody knows, except those intimately involved, what the options are.

Fourth—and not generally, I hope—the cabinet, its individual members and its supporting bureaucracy could afford to be much more open about policy objectives and national goals. Ministers seem to be genuinely fearful of being specific even about the ends they are seeking to achieve. Here is another caveat. If the Prime Minister hopes to enlist the public of this country in discussion—discussion with all of us in the new society—there have to be more slogans. The public is entitled to some declaration of the path the Prime Minister wishes to take us on behalf of his party.

I have to think that the reaction to the speech the Prime Minister made over Christmas was hilarious. If I have an objection to the speech, it is that it was so unclear—not that he made it. I think had such declarations been made in England, where there is a national press and a good differing of views and all the spectrum of political thought, they would have been scrutinized and recognized for what they were before the weekend was over. Instead of that, a good number of people in the Canadian Manufacturers' Association had cardiac arrests.

Mr. Speaker, the problem we debate today is crucial to the creation of an environment in which our society can deal with the pressing economic and social issues which confront us daily. It seems apparent that we will have to deal increasingly with active government. In this milieu, the central question was put in a most interesting book written by Andrew Shonfield in 1965, wherein he asked:

> The central question is how far an active government wielding great and varied economic power, intervening in the detailed conduct of private business affairs, discriminating between one citizen and another on the basis of subtle and complex judgments of the community's needs 10 or 20 years ahead, driving bargains with particular interest groups as administrative convenience dictates, can be subjected to effective democratic control.

That is the core of the debate in which we are engaged. I have not noticed very much partisanship here. This is surely the basis upon which the motion is put. It is surely the basis upon which the Standing Joint Committee on Regulations and Other Statutory Instruments was brought to life by people who have honoured places in this House. On this issue we can agree that in eloquence nobody seeking this openness can match the hon. member for Peace River who has almost made a career of the subject.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner (London East)): Order, please. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Carry on.

Mr. Fairweather: Mr. Speaker, I cannot think of a better place at which to stop.

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I am very pleased to take part in this debate in support of the motion of the hon. member for Halifax-East Hants (Mr. McCleave) whom we all know as co-chairman of the committee. His enduring efforts in the committee went a long way toward helping the committee function as well as it did. I was most impressed by his speech today in spite of his influenza. A lesser man would no doubt not have shone as he did today.

I should like to discuss the seventh report of the Standing Joint Committee on Regulations and Other Statutory Instruments in terms of my views and impressions of the progress made by the committee and on the general subject of freedom of information and the closely related subject of the protection of privacy. Mr. Speaker, your committee's report was tabled together with more than a dozen issues of the relevant *Minutes of Proceedings and Evidence* containing testimony from a wide range of witnesses including high ranking public servants, academics, citizens' groups and media representatives. These witnesses provided opinions, criticisms and suggestions and presented briefs or reports on the general subject at hand. In addition, the committee travelled to Washington, D.C., to interview officials and congressmen on their freedom of information act to try to ascertain how it was working. Also, some members visited England and Sweden and other countries to observe how their systems of providing information were operating.

In short, the joint committee has for over a year spent a great amount of time and effort on this subject of availa-

bility of information. In reviewing the *Minutes of Proceedings and Evidence*, the briefs, the reports, the studies and my own notes, I was at first somewhat struck by the lack of unanimity among those who made a contribution to the committee. While everyone agrees on the importance of finding an acceptable system to distribute information, and the difficulties and complications in attempting such a task, and while everyone to a greater or lesser degree is dissatisfied with the present system operating in this country, there appears to be little agreement on what exactly the solutions should be, at least in terms of degree and emphasis. However, this apparent lack of unanimity really stems from the general agreement which I have just mentioned, that is, recognition of the very real importance of information and the complex, complicated, many-sided nature in which it presents itself.

In reviewing this subject, one continually comes across such statements as "to govern is to inform, to be well informed is to be well governed", "secrecy is within the centre of power itself", and other such statements which equate knowledge with power. While the statements reflect what the availability of information can mean, different individuals view this meaning from different angles. A senior public servant's perspective is considerably different from that of, let us say, Ralph Nader or someone associated with his group. This also applies to ministers and opposition members of parliament.

● (1720)

This is not necessarily to say that the question of information and its availability or access is one of confrontation between those who have and those who want. Rather, it is a question of degree. It is difficult for even those who are reasonably well acquainted with the general subject to have an objective view of it. An individual's situation, quite naturally, colours his approach to how, what and when information should be made available.

I found that in most cases witnesses and committee members themselves, although holding differing views on what were considered basic points, were able to embrace many of the ideas put forward by the other person and generally show respect and understanding for that person's differing views. This was not done merely to be non-partisan, diplomatic or even polite; rather, I feel it was done because there is a realization that there are no easy, ready or absolute solutions to the problem.

When we talk about access to and availability of information, we are talking about a subject which is a many-headed monster that can be debated and viewed from a number of levels and angles. Perhaps I can mention some of the issues which arise when dealing with this subject. The seventh report of the joint committee suggests a few such areas. One of the most important, I feel, is the relationship between freedom of information and the protection of privacy. The two must be considered together if we are to avoid some of the difficulties which the Americans have run into in regard to their protection of privacy act and freedom of information act. In the United States case there was apparently little communication between the groups who were working on the legislation in question.

[Mr. Robinson.]

The report which we are considering today also points to the question of automatic data processing. While I must confess to only a rudimentary knowledge of the subject, I believe it is obvious to most observers that this is becoming an increasingly important forum for collecting information. Without controls, there could possibly be serious abuse of an individual's privacy.

I have already mentioned that it is difficult to get agreement on change in our system partly owing to the different situations from which individuals view the freedom of information question. One witness who appeared before the joint committee, Dr. Maxwell Cohen, Macdonald professor of law at McGill University, described this as the forum within which debates between the individual and the state over confidentiality take place. Dr. Cohen named four such forums: first, the citizen versus the state; second, the parliamentarian and the state; third, the scholar and the state; and, fourth, the media and the state.

I do not want to take too much of the time of the House, for I know a number of members wish to contribute to the debate today. But I should like to put on the record some of the questions concerning confidentiality, for I believe it helps to show the complexity of this matter. There is the question of "leaks", the question of cost, the whole field of classifying documents, and the problem of deciding how long information should be withheld. There is also the broad technical or functional area of providing information, which includes information personnel and their attitude to the public, ways and means of gathering and distributing information, regular flow and access to information, its quality and selectivity, and the direction and form of government information.

After all this we are still left with the most difficult questions of legislation or policy and the criteria for exclusion. I am beginning to wonder if, in asking the House to concur in the joint committee's seventh report, we are asking for a task which will bury us up to our eyeballs in work. Nevertheless, I know that committee members, and I think all members sincerely want to see some real progress on this issue.

So far I have given an overview, attempting to show how, by its very importance and complexity, unanimity on the question of information was difficult to obtain. This is not to suggest that there exist no areas of agreement. That would be far from the truth. For example, I believe it is generally accepted that there is often a legitimate need for confidentiality in matters involving finance, foreign relations and defence—that is to say, a willingness to accept the status quo as the criterion for exclusion in these areas. Conversely, I see agreement on a number of areas where change is needed. Perhaps I could comment on four such areas.

First, there is the government's attitude toward information. Not only must the government attempt to do a better job of explaining its actions and initiatives, but it must provide information to the public in order for it to have greater participation in the formulation of policies and programs, even if this information contradicts or conflicts with the government's approach. The onus is on the government to prove the sincerity of its commitment, as expressed in the first recommendation of the task force on

information. In its report to the government on August 29, 1969, it recommended:

The right of Canadians to full, objective and timely information and the obligation of the state to provide that such information about its programs and policies be publicly declared and stand as the foundation for the development of new government policies in this field—

Second, an area in which I think it was generally agreed changes are needed has to do with stating reasons for not providing requested information; that is to say, this kind of reply, "The information cannot be made available because it cannot be made available and is not available" is totally unacceptable. Members of parliament and the public must be given satisfactory explanations as to why their requests for information have been denied. Perhaps this is even more important in dealing with the public, for in a few cases which came before the joint committee the individuals concerned must have been left completely dazzled and frustrated with the kind of "No you can't have it because you can't have it" reply which was given. I believe there is a lot of room and need for improvement on this point.

Third, an area of change where I feel there is a certain degree of unanimity concerns how long information should be considered confidential. Obviously, the 30-year-old rule is too all-encompassing in many instances. Often after the government decides on its course of action, reports and studies the government used as a basis for action could be made available to the public. The Pickering situation is, I feel, one such instance.

The fourth area in which I feel most will agree change is required is in what I would call the functional area of providing information. By this I mean information personnel, their training and attitude, the distribution of information and its selectivity. I believe we have to start trying different approaches and techniques in the whole field of information. We must experiment with some of the suggestions and ideas which have been put forward. I am not calling for radical or drastic changes but, rather, for gradual changes which will permit us to observe how some of these ideas are working in practice. While I cannot claim to have a great many years of experience as a member of parliament—perhaps this would rule me out as a possible contender for the Tory leadership—

Mr. Peters: That is about the only reason.

Mr. Robinson: —nevertheless, I have noticed, as I am sure most members have, a tremendous increase over the past few years in the amount of correspondence from constituents. I feel this is due to two things: first, an increasing desire to participate in, or at least play a larger role or have more influence in the formulation of policy; second, the increased number of services and programs coming from the government which directly affect individuals. In both these cases, information plays a vital role. Without information, or the proper kind of information, my constituents are at a serious disadvantage in influencing policy, participating in programs and taking advantage of services which are offered.

Constituency offices having been established in our constituencies during the past couple of years and we now have what I consider an ideal vehicle for distributing information directly to the public. The potential of the constituency office in this information role has been badly neglected up to now, I feel. Information Canada having been phased out, I feel there is an even greater need to utilize the information service potential of the constituency office.

I hope that all hon. members will be able to support the motion presented today. Specifically, I hope that the Standing Joint Committee on Regulations and Other Statutory Instruments will be authorized to examine the subject matter of Bill C-225 introduced by the hon. member for Peace River (Mr. Baldwin) who has over the years demonstrated both his concern for and knowledge of the right of the public to information concerning public business. Second, I hope that the joint committee's terms of reference will be expanded to include consideration of other laws relating to freedom of information and the protection of privacy. I hope, third, that the committee will examine the question of automatic data processing and its effects on the privacy of people.

In conclusion, if this House should decide to give the committee the authorization requested, I feel the second session of the thirtieth parliament will produce legislation which will enable real progress to be made in the fields of freedom of information and the protection of privacy.

Mr. Knowles (Winnipeg North Centre): Will there ever be a second session?

● (1730)

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I appreciate the opportunity to take part in this debate. I feel that possibly, in view of the fact there has been evidence from both sides that there is no dissent from this resolution, I should not try to promote the cause and thereby raise issues which might cause someone to vote against it. Since there is such uniformity of thought I want to lend my support to the report and to the recommendations made in it, and to pay my tribute to my hon. friend from Peace River (Mr. Baldwin) who has, over a long period of time, supported the concept of freedom of information. The hon. member indicates that the publicity may be coming to him late rather than early, in his career, but I pay him this tribute now in the hope that if we keep praising him now he may be persuaded at the last minute to let his name stand for leadership at the convention when it comes up next week.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Having been elected at the last general election I mentioned this in debate earlier this week when it was first indicated I was going to be placed on the committee I thought it was a form of punishment. I have some knowledge of regulations through the practice of law and the statutory instruments one comes across in the day to day activities of a law office, and I thought this was something the party whip or the people in charge of assigning duties had chosen to demonstrate to me, so I would not get too big for my breeches "We are going to put you in a small room looking over these regulations and considering them."

To a certain degree the fact is I have suffered with my colleagues on that committee looking over mounds and mounds of regulations. As one wag put it, one finds out

more about regulations than one would ever care to know. It has been, in fact, a rewarding and challenging experience, certainly in respect of the discussions covering the freedom of information bill which has been brought forward by the hon. member for Peace River, and with respect to the reference to the committee of the guidelines for the production of papers presented by the former President of the Privy Council. I want to deal with both those elements of the report, that is to say, the guidelines for the production of papers and also the freedom of information act, because they seem to me to be logical steps in the direction in which we are moving in this debate.

I would say at the outset that I support wholeheartedly, as all hon. members have indicated up to this point, the concept of some type of legislation which in fact would mean there would be some freedom of information not only to members of parliament but also to the average citizen. The hon. member for Peace River in his remarks mentioned the fact there had been much discussion recently of economic matters in the House of Commons, and certainly we have been wrapped up in economic issues. It seems to me that in Canada we are moving, as in the case among other democracies, toward greater centralization of power in the hands of the executive branch. Coupled with this trend has been a growing reluctance on the part of all bureaucratic institutions to divulge any information throwing light on the reasoning involved in their decision-making.

I should like to quote from the Administrative Law Review of 1968, a paragraph citing the Attorney-General's memorandum on public information:

> If government is to be truly of, by and for the people, the people must know in detail the activities of government. Nothing so diminishes democracy as secrecy. Self-government, the maximum participation of the citizenry in affairs of state, is meaningful only with an informed public. How can we govern ourselves if we do not know how we govern?

In view of the growth of government and the fact that we are getting to be a complicated society today, the right of people to obtain information about the actions of their government must be secured especially in the light of reversing the tendency to isolate power in the hands of an executive body. The idea of government possessing a cloak of secrecy must be taken away and we must have, in effect, as has been pointed out in other jurisdictions, a sunshine law which will allow people the fullest information as to the activities of the government and the bureaucracies supporting that government.

It seems to me there has developed in our own country, unfortunately, a spill-over of developments south of the border, in essence a distrust of government, so it is essential that we in this parliament deal seriously with the recommendations made in the report with respect to legislation on the freedom of information. I have indicated there are two aspects to the consideration the committee has made over the past year and a half or two years.

The first part of our consideration in the committee was with respect to the guidelines brought down by the President of the Privy Council affecting the production of government papers in parliament. My observation since since I have been in parliament has been that the pragmatic rule with respect to the production of papers is that the government can refuse to produce any document it deems appropriate. This is particularly evident in times of majority government where there is a degree of support, where there is majority support, for the government's decision with respect to the production of particular papers. So when we look at the guidelines which have been brought down and presented to us setting out the rules the government says it will follow with respect to the production of papers, one is inclined to be encouraged but one must express a caveat with respect to the optimistic view taken by the government in bringing forward these guidelines. This is because of the fact that the interpretation is left in the hands of the government.

In other words, one of the serious shortcomings of these guidelines is that there is no provision for an independent assessment as to whether or not the refusal of the government to bring forward legislation in any instance is justifiable. I maintain the whole climate of the obligation of the government has been affected by the so-called Watergate situation south of the border and the question arises here, as it arose down in the United States, whether refusal on the part of the government to publish certain information is in fact based upon the national security, or whatever, or whether the decision to refuse information has, rather, been taken in the government's own interest. So it seems to me one of the serious shortcomings of the guidelines brought down for our consideration is that decisions in the final analysis are reserved to the government. In other words, parliament is at the behest of a majority government in regard to that particular decision and does not determine its own course either in actual fact or in practical terms.

● (1740)

The suggestion was made, which I fully support, that if we are to have these guidelines, at least in the initial stage some provision should be made for an independent tribunal to assess whether or not there is justification for the government to refuse disclosure. I suggest that some official could be appointed similar to the Auditor General who, as we know, in connection with reviewing the books of government has been given under statute some fairly broad powers, and hopefully will be given broader powers in future legislation.

The fact of the matter is that if we had someone similar to that official dealing with requests, who was sworn to secrecy, to assess the individual request and the response given by the government, and make a decision based on representations made by the cabinet minister in question, this would ensure that, in part at least, an independent review of the request and of the reasons given by government for refusing to disclose the information to parliament would be made.

Moving on to the matter of a freedom of information act, the foregoing would all be somewhat academic if in fact we do bring forward a realistic and reasonable piece of legislation concerning freedom of information not only for parliamentarians but for the citizenry at large. In this connection I think that the terms of the bill put forward by the hon. member for Peace River provide for an independent assessment of whether or not information should be given out to the general public. I think his bill provides for reference of the matter to a court. I do not think it makes much difference whether there is a refer-

ence to a court or to an administrative tribunal so long as there is an independent review that enables people to know that they are receiving fair and reasonable treatment with respect to any request for information.

As a member of the opposition it seems to me that I am at a bit of a disadvantage when it comes to obtaining information. I have always felt that members on the government side may have some advantage. I suppose there should be some "perks" in supporting the government or in being part of the government, but it is my observation that members on the government side often have better access to the resources of the bureaucracy. Certainly in the case of members of the cabinet and the executive, they have full access to the resources of the public service in research and investigation for the determination of government policy.

It has been estimated that something in the vicinity of $1 billion at least is spent by the federal government on research programs, which is more than the budget of some provinces. This kind of expertise is working for the government in the determination of policy. Much of this research that has taken place is of a technical or factual nature and I think should be available to the general public to assist the general public in the formulation of decisions respecting general policy. If we are to have, as some politician has said, participatory democracy in this country, the benefit of this technical and factual information that is received by the government should be made available to the electorate as well.

I think the public should also have the fullest knowledge of government expenditure and that of its agencies. There are instances that all of us can bring to mind of failure to obtain, on request through the order paper or through requesting documents, this kind of information. One instance that occurs to me is that when I first arrived here I received information that the CBC had spent a quite incredible amount of money on the development of their new logo. This is an example of the kind of information that is withheld from members of parliament, let alone the public. There was no question of policy of the CBC involved; I was simply asking for financial information that I felt it was important to know, requiring some inquiry which would ascertain whether or not there had been reasonable expenditure in regard to part of the CBC's operation.

The answer I received from the Secretary of State (Mr. Faulkner) was simply that this was not the type of information that it is customary for the CBC to disclose. That struck me as being an incredible answer to what I thought was a rather straightforward question asking for information of a factual nature from the government or a government agency. I think that if I were a shareholder of the CTV, for example, and I wanted to know how much they had spent on developing a logo for that network, it would be a matter of a very few minutes before the accountant or auditor would have the information for me. So at a very early time in my experience as a member of parliament it was indicated to me that the government and its agencies were actually reluctant to give what I thought was rather straightforward information respecting government expenditure. I bring that example to the attention of the House to show the way in which government agencies tend to be secretive about their expenditure and about information that, I think, rightfully belongs in the public domain.

Let me give another example. Recently there was some communication with the Department of Transport covering an alleged defect in steering wheels in 1969 Chevrolets. On behalf of a constituent I wrote to the Department of Transport's motor vehicles safety branch and asked them to provide me with some information respecting investigations that had taken place into these defective steering wheels. I was not able to obtain that information. When a man drives along in his automobile and then finds that the steering wheel comes off in his hand, detaching itself from the steering column, then he should be entitled to some information about what the government's investigation had determined in regard to that defect in that particular model, and also that information should be made available generally so that some warning can be given to other people driving that particular model.

I see my time is coming to an end, Mr. Speaker, but during the last few minutes I want to refer to the fact that we as a committee have made an investigation of the freedom of information act in the United States. I think our American neighbours are often much maligned by us in Canada. When one reads the newspapers, listens to the radio or watches television one almost gets the impression that everything that happens in the United States is negative. I think we tend to forget that there are many areas in the United States where there has been progressive legislation and where the Americans have been leaders. The hon. member for Greenwood (Mr. Brewin) alluded to this when he said he felt that the freedom of information act in the United States was one example of where the Americans are ahead of us in Canada in regard to obtaining information from government.

I want to say in very general terms that the visit that the committee made to the United States certainly satisfied me that enactment by us of freedom of information legislation would be a worth-while process. I grant you that there are problems in respect of this kind of legislation. There is the question of the increased work load on civil servants to comply with requests. There are questions as to whether the exemption category should be a broad or narrow one. There are questions of abuses that may arise in respect of seeking and obtaining information, and there is the question of cost.

● (1750)

The conclusion I came to is that among the people involved in the public service in the United States, with legislations and with those involved in the seeking and obtaining of information, there was unanimity that this was a worth-while bill, notwithstanding some of the problems which arise by virtue of the legislation. I see you moving toward the edge of your seat, Mr. Speaker, so I will conclude by saying I think this is something in respect of which we in Canada might do well to emulate the United States. I hope hon. members will support the report and the freedom of information legislation.

Vacancy

ROUTINE PROCEEDINGS

[*English*]

VACANCY

RESIGNATION OF MEMBER FOR OTTAWA-CARLETON

Mr. Speaker: Order, please. Before recognizing the hon. member for Timiskaming (Mr. Peters) I wonder if I might just take a moment to inform the House that I have received a communication informing me that a vacancy has occurred, as follows:

The Honourable James Jerome, M.P.,

Speaker,

House of Commons,

Ottawa, Ontario.

Dear Mr. Speaker:

I am writing to you as the member of parliament for the electoral district of Ottawa-Carleton. I hereby resign my seat in the House of Commons, effective immediately.

I have enjoyed every moment in parliament. I shall miss the companionship of the House and the honour of sitting amongst the most distinguished assembly in the country. The give and take of debate was one of the most stimulating experiences of my life as each of us strove to serve the best interests of our country in a meaningful way.

On a personal note, may I thank you for all the courtesies you have shown me. To Mr. Fraser, the Clerk of the House, and all the people who make parliament such a congenial place, I say—a heartfelt thank you.

That is signed by the Hon. John N. Turner and dated Thursday, February 12, 1976. It is witnessed in the proper form by two persons who are members of the staff in Mr. Turner's office.

Accordingly, on verifying the form and content of that letter of resignation, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REGULATIONS AND OTHER STATUTORY INSTRUMENTS—CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion of Mr. McCleave:

That the Seventh Report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Tuesday, December 16, 1975, be concurred in, and that the committee be authorized to examine the matters referred to in paragraphs 1, 2 and 3 of the said report during the balance of this session.

Mr. Speaker: Order, please. I do not know whether the hon. member for Timiskaming (Mr. Peters) wants to begin now, or is agreed that we call it six o'clock?

An hon. Member: Six o'clock?

[Mr. Hnatyshyn.]

Mr. Speaker: Accordingly, it being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Arnold Peters (Timiskaming): Madam Speaker, I am pleased to participate in this debate in which there is so much unanimity among members of the House. I anticipate that the motion by the hon. member for Halifax-East Hants (Mr. McCleave) will be accepted. I enjoyed the remarks of the hon. member for Peace River (Mr. Baldwin) in this regard, as well as the remarks of some of the government members who have participated in the debate.

Today is an excellent day for this motion to be brought forth. Earlier today during the question period the Minister of Industry, Trade and Commerce (Mr. Jamieson) indicated he could not give the House certain information which obviously should be available to the general public. He said this information could not be made available because it would be detrimental to a government operation.

I think the general public and most members of parliament would be very opposed to the situation if they were given the information concerning the CANDU reactors we are now selling under various methods to countries which perhaps should not have them. Today the minister used the same old argument that this information cannot be divulged because we are dealing in an international market with a commodity that is highly competitive, and if we were to indicate what terms were advanced to some of the countries with which we are dealing this would hurt our position. What a lot of clap-trap!

Atomic Energy of Canada Limited is a government agency which deals with other governments. It is not some private corporation. It operates through the Department of Industry, Trade and Commerce. The deal in question undoubtedly was financed by the government. It was probably financed without interest. More than that it was financed through the supply of uranium, which itself is in short supply in this country. How short the supply if we do not know because the information has not been released to the public.

It seems to me this is something which should be kept in mind by some of the members on the government side who have said they are in favour of this motion, which really is seeking to make information available to the members of parliament, the press, and the public in general. I am sure many of us think this situation is very marginal in respect of whether or not it should be morally supported, because we are selling the CANDU reactors to countries like South Korea which is in a precarious circumstance to say the least, economically and politically, and to Argentina where there are considerable difficulties and where, if the executions continue, probably there will be no members of the present government alive in a matter of a few months.

When we sell CANDU reactors our government says we should allow it exclusively to indicate under what terms

they are sold. I do not think there is a country in the world that sells atomic reactors to any other country in a deal that is made between one government and another which does not make the information readily available.

● (2010)

I am sure there are members on the government side who say that they believe in the right to privacy of the individual, and who believe that the dissemination of information by government agencies is highly desirable and even necessary in a democracy. But over the years the government has acted in quite the opposite way. With reference to the Nuremberg trials that took place in Germany, the German public in my opinion was largely responsible for the development in that country of totalitarianism, Nazism, and the abuses of fascism, by curtailing information given to the general public to such an extent that many of those who were on trial in Nuremberg were able to say that they did not know what was going on, and that they were not given information to allow them to make objections if they had wished to make them. I think this is an extreme example of the result of withholding information from the citizens of a country which would allow them, either through the due process of elections or through the establishment of some type of opposition, to put forth their views if they are aware of the facts.

Government members always say that to divulge this information would be detrimental to security and to the safety of the nation. They say it would be detrimental to our international trade. Why then is it not possible for the government, if it had the wish or the ability to divulge such very simple information as an indication of what our gas reserves are, to make this information public?

I am shocked when I find the general public saying that it does not matter if we have big cars or if we waste gas, or if we put on pollution controls which are not effective but which use up more gas, or if we do not insulate our houses sufficiently or turn down the heat, or if we do not conserve our industry resources, simply because they do not believe there is really a shortage of fossil fuel. They do not believe it because the government has never told the people what our reserves are. I do not believe that the civil service is so incompetent that it does not know what our reserves are. I am also of the opinion that the authorities are not so incompetent that they do not know that the oil companies are playing a game with them.

I am sure there are people on the National Energy Board who have a pretty good ballpark figure as to what our resources are. Yet we heard the gas and oil companies saying that our reserves were sufficient to last us for 100 years, but very shortly afterwards a crisis erupted, and then we were told that we have reserves only to last us for the next eight years. In fact our resources may be sufficient to last us for 20 years, but the government has never been able to tell that to the Canadian public.

Yes, I am sure there are people on the National Energy Board and in the Department of Energy, Mines and Resources who have a pretty good idea of what our resources are. The government does not tell us what they are because it wants the industry to have an advantage both when there is a shortage and when there is a surplus. So who is beaten? There are members of the House saying that they are not able to sell oil reserves in their areas and that this is causing lay-offs, and there other people who find that a resource is becoming very scarce in some other areas. All this is to the advantage of the oil industry. Either the government is totally dominated by the industry and by its friends in the establishment or it is totally incompetent.

An incompetent civil servant can put a stamp on a letter or a report saying "confidential", "for eye scrutiny only", and stating that the document must not be taken out of the room. If it is such a bad report the wisest thing may be not to let it out of the room so that nobody will read it, otherwise there will be all kinds of incompetent people making incompetent reports with other people analyzing them at great cost to the country. But if people can look at these reports, they can also make the decisions necessary.

One of the problems we have had in this country is that there have been incompetent people who have got into the habit of stamping every piece of paper confidential. Once these reports can be examined and assessed by the press, by members of parliament, and by the general public, the public will be able to reach a pretty good decision on their worth and can interpret their content.

There are many areas in which there is lack of information, and many reports are written which the government does not release because it says the information should not be divulged because that would not be in the interest of the department concerned. It says this about unemployment insurance, about manpower, and about reports from various other departments of which I have some knowledge.

When I telephone senior officials in these departments any day of any week, I find that they are holding a conference. I telephone the chairman, the deputy chairman, the heads of the departments, but they are all at the same damn meeting, all preparing confidential reports which only they can read, and they spend half their time at meetings discussing matters which they consider to be confidential. These reports might enable me to reach an opinion on the subject, but I am not allowed to see them.

The Liberal party has a new gimmick now which really delays everything. They say that a document cannot be released. The President of the Treasury Board (Mr. Chrétien) has this down pat. He says he cannot release any report now until it is prepared in two languages. So if a report cannot be held up for any other reason, one can say it will not be released for two months because of translation. There are all kinds of ways in which information can be kept from the public, but it seems to me that it does not make for a very informed public if these documents are not being released.

There is another factor to be considered. The press in this nation is often highly excited every time one of the cabinet ministers or one of his senior officials leaks a document. That makes it believe that this is an immensely important document, and as a result it is given more publicity than is warranted. If the government wants a document released as a kite, it always leaks it to the media, and the media give it all kinds of precedence which they would not give it otherwise.

Not long ago I attended a meeting in Sudbury where the Canadian Transport Commission was holding a hearing, only to find that the day before the hearing took place a report was issued by a senior member of the Department of Transport in Ottawa under the direction of the Minister of Transport (Mr. Lang). That report said that Nordair, which was making an application to land at Sudbury, would not be allowed to land at the airport because the runways would not carry 737's. It was already carrying DC-9's, and DC-9's only weigh about 1,000 pounds less than a 737's, so that they are almost the same size.

● (2020)

It is interesting to note that the district office where the reports and measurements are made, and from where all the information comes, made a report not long before that saying that, if necessary, the largest planes flying in Canada at that time, 747's, could be handled. It was interesting because the manager of the airport, who was not an employee of the Department of Transport but an employee of the city of Sudbury, telephoned the district director in Toronto and asked him what was the state of the runways. He was given a report that they were better than they had been, in excellent condition, able to handle any loadings in the foreseeable future, there was no difficulty for landings, and the underbase was sufficient to carry anything which would be landing.

The airport manager went back and told the hearing about this. Where does that leave the commissioner, who is a former member of this House? He was sitting there with a report saying that no matter what was done with relation to that application, the airport was not going to be certified to handle that type of plane, and whether there was a hearing or not, there was not going to be a licence granted to land at that airport.

I am sure that report was confidential. I am sure if it existed at all it was highly confidential, and for no one else's eyes except a senior official and the minister. This is one of the very great abuses taking place in a particular field.

There have been advances made in the Statutory Instruments Committee. I think it made some excellent recommendations. The people who attend that committee are to be congratulated for the work they have done. They are not out to destroy our form of government, this government, or the operation of our civil service, but they are out to see that the Canadian public is given all the information possible, and I think they should be supported and given a new mandate to continue their discussion.

In all sincerity I ask the government to give very serious consideration before using the lame excuse, every time, that information would be detrimental to Canada if it were released. If each minister looking at information provided by his officials would consider whether he agreed that it should be confidential, he might be able to release much of this information and make members of parliament, members of the press gallery, and the citizens of Canada much better informed. That would considerably strengthen the parliamentary process and democracy in Canada.

Hon. Mitchell Sharp (President of the Privy Council): Madam Speaker, this is the first time since the provisional revision of the Standing Orders regarding the business of supply that advantage has been taken of the device permitting hon. members in the opposition to make use of allotted days to propose motions which must come to a vote but which, if accepted by the House, do not constitute, by definition, a vote of no confidence in the government.

When the rules were altered in 1968 it was provided that opposition motions which were required to come to a vote were, by definition, no confidence motions. Before that time opposition motions on supply had often been affirmative in their wording and at least three times in the previous 20 years such motions have been adopted. At least in part because of the present provisional Standing Orders I am happy to inform hon. members that the government finds the motion today wholly acceptable and commends it to the House.

Some hon. Members: Hear, hear!

Mr. Sharp: For the first time since 1963 a government has been able to accept an opposition member's motion on supply, and not a little credit must go to my friend, the hon. member for Peace River (Mr. Baldwin). He has been a firm advocate of a less restricted approach to government information, and yet by avoiding a strident or partisan approach he has been able to bring the matter closer and closer to a positive resolution.

Perhaps I may be permitted a slight digression by observing that the hon. member has applied this honest, constructive, but hardly uncritical or unduly compliant, approach to his role as opposition House leader as well, and I am sure that our fellow House leaders, the hon. member for Winnipeg North Centre (Mr. Knowles), and the hon. member for Richmond (Mr. Beaudoin), would agree that this approach has proved invaluable, not only in the daily management of the business of the House but also in making progress toward procedural reform.

I do hope the hon. member will stay long enough so that we can continue to make even greater progress in procedural reform, and I know he links the subject of our discussion tonight with that other matter, and I have some sympathy with him in this respect. I think the two matters do have a relationship.

The Standing Joint Committee on Regulations and Other Statutory Instruments has been seized of the question now before us, or matters bearing on it, for almost three years. It has been in the last 13 or 14 months that the greatest progress has been made. It is interesting that nobody's approach, either on the side of the opposition parties or on the government side, has become static. This reflects the constructive manner in which the joint chairmen have conducted the proceedings.

Some hon. Members: Hear, hear!

Mr. Sharp: I should like to pay tribute to the chairman from the House side, under whom I have given testimony, and who certainly has conducted the proceedings in a very non-partisan and constructive way. If I may also mention the major contribution which has been made by such other interested participants as the hon. member for Kenora-Rainy River (Mr. Reid), he has taken a very special interest in this subject.

As the House knows, I have appeared before the committee, and therefore I will endeavour not to repeat here what already lies on the public record. As I have already indicated the government supports the motion before us, and this is in the hope that the committee can pursue its investigation to a full and comprehensive conclusion. The greatest difficulty for the committee will be in finding a suitable balance between the goal of maximizing, if I may use the word, the amount of information made available and protection of the national interest and the security of the state.

The committee must also take into account the relationship between the principle of freedom of information and the functioning of government or, if hon. members prefer, of effective administration.

In 1973 my predecessor in office, the present Secretary of State for External Affairs (Mr. MacEachen), tabled guidelines relating to notices of motions for the production of papers. When I succeeded him I referred these guidelines to the Standing Committee of Regulations and Other Statutory Instruments for study and report, and they form one of the documents before that committee. I shall not, as I have already indicated, read those guidelines into the record again, but I should like to read the general principle upon which they are founded. The purpose of the guidelines was stated in the general principle as follows:

● (2030)

To enable members of parliament to secure factual information about the operations of government to carry out their parliamentary duties and to make public as much factual information as possible consistent with effective administration, the protection of the security of the state, rights to privacy and other such matters, government papers, documents and consultant reports should be produced on notice of motion for the production of papers unless falling within the categories outlined below in which case an exemption is to be claimed from production.

When I appeared before the committee I asked for comments on the various criteria to be applied in determining if government papers or documents should be exempt from production. It is fair to say, I think, that there was no substantial dissent as to the criteria proposed for this purpose by the government. There was some comment, and I invited the members of the committee to give us their frank views as to the adequacy of those criteria. Although the list proposed by the hon. member for Peace River was shorter than the bill he put forward, it covers roughly the same area of privileged information and documents.

The essential problem that concerned the committee while I was before it—and I gather which still concerns the committee—the one upon which there are and can be legitimate differences of opinion is this: how can members be sure that documents, access to which is denied, really fall within the exempt categories?

This is also the essential problem in relation to the demands of the public outside parliament for information about the activities of the government. I hope that the committee in its further studies will provide some advice and guidance on this crucial point.

There is a case for having some outside arbitrator or a court to which appeals could be made against the decision of the government not to disclose a particular document, but one should be careful not to impair the principle of responsibility of the government for the decisions made by ministers or officials.

In the end it is my view that it should be the government that makes the final decision as to the disclosure of documents, because under our system of responsible government it is the government that must accept responsibility for the consequences of disclosure. I have had some discussions with the hon. member for Peace River and I think we agree that this is one of the crucial points. In his bill he has proposed a system of appeals for the public seeking information. I assume this would also relate to members of parliament seeking information. It is an extremely difficult and vital point because I do not think one can transfer the responsibility to whoever is the appeal court for the consequences of the disclosure of documents that the government does not feel it is in the public interest to disclose.

It may be that even though a court takes into account all the factors of which it is cognizant, it may make a mistake and the burden of the mistake must be accepted by the government itself.

May I go to another point raised by the hon. member for Peace River? He referred earlier today to working papers prepared by civil servants. As I recall it, he said something like this: he agreed that there should be no disclosure of working papers until the government had made a decision, but that those papers of a factual nature should be released after the decision had been made. Madam Speaker, I have had the privilege of being on both sides of this issue. I have been a civil servant and I have also been a minister. I have prepared working papers and I have received them. I think I may suggest that if my hon. friend had had the same experience he probably would not have made the suggestion he did.

Mr. Baldwin: I remained a virgin.

Mr. McCleave: Professional, but still a virgin.

Mr. Sharp: If he is in that position he probably did not give good value for his money.

Some hon. Members: Oh, oh!

Mr. Sharp: I would use as an example a report that I signed in 1957 about the economic outlook for that particular year. I suppose it could be considered a factual report. It contained all kinds of statistics and analysis on the basis of which some forecasts were made about the economic outlook for that year. It was one of the documents which was before the government of that day when budgetary policy for the 1957 budget was under consideration.

That particular document was released in 1958 by the new government which assumed office in 1957. It became known as the "hidden report" and was used extensively in the 1958 campaign. At that time I protested the release of that report because it threatened to interfere with relations between the government and its civil service advisers. That report represented the best advice of those civil servants who prepared it. It was provided on a confidential basis for the use of the government. If the civil servants concerned had known that their report was going to be published either then or later, they would have asked their ministers what they should say for publication so as

not to be at cross-purposes with their political masters, or they would have given the report orally and not on paper. This is an issue of great complexity and delicacy and I trust the committee will explore it in depth before tendering their advice.

Moreover after many years of experience in government as a civil servant, and more recently as a minister, I am literally appalled at the immensity of the problem of providing access to working papers or even, if I may add, of providing a list of the working papers which would seem to be called for if disclosure were to have any meaning whatever.

It would be a fatal error, in my judgment, to institute a system which compelled civil servants to rely on word of mouth in giving their advice on complex issues, or to resort to devices such as draft memoranda, a device which I gather is resorted to in jurisdictions where full disclosure is the law.

I do not think there would be any difference of view if I were to say that it is of the essence of our system of parliamentary government that ministers make the decisions and take the responsibility for those decisions. They are free to accept or reject the advice of their civil servants, who do not take the responsibility for the decisions. I ask this question: if working papers were to be disclosed at any time would it be expected or permitted for civil servants to go public and defend their advice, or would they be expected to accept the criticism without any opportunity for reply? I make this point because this seems to me to be the essence of the problem we face: either we have a system of responsible government in which ministers make decisions and take responsibility, or we do not. If we bring civil service documents into the argument it seems to me we are altering the very principles upon which we now function.

● (2040)

Another point which seems to cause confusion concerns the classification of information. The system now in use is designed for internal administrative purposes, not for external purposes. The philosophy under which documents are classified in the Canadian government, and I assume it is the same in other governments, is that information should be available to those in government who "need to know."

If a document is marked "secret", it means that it is for the attention of ministers or very senior officials. More junior officers in a properly organized department or agency may require some of the information in a secret document but they are unlikely to require all of it, or perhaps not in the manner in which it is presented.

"Confidential" is the term applied to information required by a wider range of officials, but not necessarily all of them.

There is another classification called "restricted", which really only means "for internal use only."

The problem, as I suggested, is that these terms used for administrative guidance are the same as words used for external purposes. They should not be confused.

In defence or foreign affairs "top secret" means that the disclosure of the information would result in exceptionally grave damage to the safety of the nation; "confidential" refers to information that, if released, would be prejudicial to the interests of the nation.

The system of classification of other internal documents is not really related to whether they should be revealed publicly at all. It relates to how far they shall circulate within the circle of the civil servants, or of the ministers. When it is suggested sometimes that such and such a document has been overclassified, that argument is irrelevant as to whether it should be published. All documents prepared within the civil service are meant for circulation within the government and they are not to be published. The "secret", or "confidential" or "restricted" means that they are to circulate within a certain circle. One could sometimes think, when one hears discussions about information, that, somehow, when the government marks something as secret, it is secret from outside. It is not. All documents are secret from outside. They are intended for internal use only. The "secret" refers to how far they can circulate within the government itself.

Mr. Knowles (Winnipeg North Centre): What label do you put on a document that is supposed to be leaked?

Mr. Sharp: "Secret."

Some hon. Members: Oh, oh!

Mr. Sharp: I fully support the extension of the mandate of the Statutory Instruments Committee and urge the committee to continue in this thorough manner. As much information as possible should be made available by government. Only the most narrow definitions of national safety and stability, personal privacy, and justice and equity, should serve as restrictions on information. It is to the advantage of government to release as much information as possible. I may add this: I have been in government and connected with it, one way or another, for almost 30 years. When I compare the volume of information that was released when I entered government and the volume of information that was requested with what is done today, I can only say that there has been a vast increase. Indeed I do not think it is too much to say that we are polluted with information.

Mr. Stanfield: You mean you are polluting the country?

Mr. Sharp: It could be, but information is certainly released. Far more information is released today about government operations and about facts upon which decisions are made than was ever released in the past. For example, I can recall previous ministers of finance preparing the budget.

When I first was in government I worked in the Department of Finance. The then minister of finance presented a budget not quite as long as those which have been presented in more recent years. There were no accompanying documents, except the accounts. There was no analysis of the economic outlook, no white paper, and so on. All this has developed in recent years. This example should be multiplied many times in government.

I think citizens have become more aware of problems and of actions that governments propose as solutions. I welcome this. I think it is essential. Citizens, by being

made more aware of problems and the activities of government will, no doubt, endeavour more often to contribute criticisms and suggestions. That will lead not only to a more responsive government but to a more effective government as well.

In conclusion may I make a comment about comparisons with other administrations, other countries with differing institutions. Most of these comparisons—

Mr. Baldwin: You are better than Russia, anyway.

Mr. Sharp: —are irrelevant to the problems we face here. We do not have the same system of government as in the United States, or as in Sweden. We do face special problems to do with the parliamentary form of government of this land.

An hon. Member: You mean, the Liberals?

Mr. Sharp: In this country there are special circumstances. I might say to my hon. friend who interrupted that the same principles were followed by the previous Conservative administration as are followed today. I am sure that when the Leader of the Opposition (Mr. Stanfield) was the premier of Nova Scotia he followed much the same principles as are being followed here. Therefore I suggest that the committee, in looking at solutions, should not be guided too much by the example of other countries but should, rather, seek original solutions suitable to Canada. I say, on behalf of the government, we hope the Committee is successful. The government is anxious to provide all the information which can possibly be provided.

Mr. Baldwin: Madam Speaker, may I ask the minister a question? Will the minister accept a question?

Mr. Sharp: Certainly.

Mr. Baldwin: Mr. Speaker, I wish to ask a question which the committee may find useful when it resumes its deliberations. I was going to ask him a question which I need no longer ask, namely, if he accepts all the principles in the motion, including the principle of the enactment of some type of freedom of information legislation. He and I might differ as to what is in it; I understood from his comments that he accepts the principle set out in the motion, that there should be some kind of legislation along those lines. If I am wrong the minister can correct me.

May I ask him a further question? He and I have discussed who should have the final decision, the government, or the court, on whether a document lies outside of documents which can be publicized. Without prejudice to my right to urge the committee, and later the House, to adopt the other end of the argument, namely, that the court should have the final decision, may I ask if the minister will give or has given favourable consideration to an alternative I put before him, at least for purposes of discussion, and it is this: If the government were to have the final decision as to whether a document falls within the excepted class, should not the tribunal at the very least have the right to publicize the fact that it made its decision and that the government saw fit, for its own reasons, not to comply with it?

May I ask another question? Actually, I am asking a double-barrelled question—to give the minister a chance to consider the first part of it. I am raising the matter of working papers. I accept the view that, if a working paper contains informed opinion, it might not be necessary to make it public. But what is the position with regard to a working paper which is entirely statistical and/or factual, and does not contain opinions or recommendations? It seems to me that this is merely a matter of mechanics. It is possible for a civil servant to make a recommendation and attach it to a factual or statistical document, so that there is a plain difference between the two. Would that situation affect the hon. gentleman's approach to this issue as to what working papers, if any, could be publicized after the decision has been made?

Mr. Sharp: Madam Speaker, the first question the hon. member for Peace River (Mr. Baldwin) directed to me involves one of the most crucial issues we face. I expressed the opinion in my speech that the final decision as to disclosure of documents should be made by the government, so as to retain the principle of responsibility. I agree with this.

There could be a legitimate concern on the part of those who ask questions, or ask for the production of documents—and I am not referring only to this government; I am referring to any government—there could be a legitimate concern that the government may be withholding information for other reasons, information which may not be in the exempt categories. It may be put under that category for purposes of withholding information. I ought to stress that, when I say this, I am speaking personally; I am not speaking on behalf of the government. This is a question to which we have not addressed ourselves in Cabinet.

● (2050)

I feel some sort of ombudsman or official might be given the responsibility of advising whether the document in question does in fact fall within a certain category. This opinion would be made public, and the government could then decide whether it wished to disclose or not. I think it would help those who are asking the questions to know whether in fact the government was justified in its attitude. If the answer from the official was, "Yes, there is information in the document which falls within the category", it would be one thing. But if he said, "There seems to be no information in the document falling within the category referred to", that would be quite another. That might be a direction in which we could move, but as I say it is a personal opinion.

On the question of the working papers I have thought a good deal about what the hon. member for Peace River has suggested and, frankly, I am skeptical. My own feeling is that what would be prepared, if that were the rule, would be documents intended for purposes of publication.

If it were known that documents which contained only factual material were the only documents which could be disclosed, a minister might well be inclined to say, "Prepare a document which contains only factual material and which can be published if necessary." I believe it is vital for good government that ministers should have access to the frank opinions of their advisers, and these will only be

given when officials are confident that their advice will not be revealed. Otherwise an official would say, "What is it you want me to tell you, because I cannot be at odds with my political superior; if I were I would be in politics?"

Mr. Jim Balfour (Regina East): Mr. Speaker, I too am pleased to have the opportunity to speak in support of the motion and to offer some observations with regard to the need for legislation with respect to the principle of freedom of information.

I begin with the principle that all government documents, records, and other forms of information should be accessible to the public unless the release of such information is withheld for a good and specific reason supported by provision for a judicial review of any withholding decision made by the government.

I believe it is axiomatic that no government will willingly surrender information that might embarrass it, inconvenience it, or simply make its life more complicated. To expect otherwise would be naive. When governments demonstrate reluctance to provide public access to information they must expect grave suspicion that their motives are impure. It is also true to say that even the most ardent proponent of open government action agrees that there are situations in which official information can properly and legitimately be withheld from the public in order to protect either individual privacy or the national interest. What we are confronted with, therefore, is the need to strike a balance.

While the withholding of information can sometimes be justified, the indisputable fact remains that the people cannot govern themselves in a democracy if agencies of government withhold access to information concerning issues on which the public is expected to form a view. Furthermore, Mr. Speaker, once secrecy is legitimized in any area there is a natural tendency for it to spread—secrecy provides an opportunity to conceal mistakes or misbehaviour, to permit officials to shape policy without outside consultation, to permit elected officeholders to avoid accountability for their actions.

Others have spoken, or will speak, of the rather feeble attempts of the government to satisfy demands for freedom of information. I propose to focus my remarks on the steps taken by governments in other countries, notably Sweden and the United States, to provide the citizens of those countries with ready access to government records.

The Swedish system of open information dates back to 1766, and since 1809 the Swedish government has guaranteed the citizen a right of access to government documents. At the present time the freedom of the press act spells this out. Denial of access can only be justified by reference to an omnibus secrecy law which enumerates exceptions on the basis of criteria established in the constitution. And everyone in Sweden has the right to see all official papers not made secret by the 1937 secrecy law.

The procedure for exercise of this right is very simple: the claimant simply demands the paper or file he wishes to see from the civil servant who has it. At his peril the civil servant must decide whether the document is public or whether the paper, or part of it, is secret. He must then make available what is not secret.

When an official refuses delivery, the claimant may appeal to a superior authority. If it is not proven that there is a constitutionally supported basis for denial of access to a specific document, then a custodial official is required to supply the document upon request and without cost, immediately or as soon as possible. A decision not to deliver may be appealed within the agency, to the supreme administrative court, or to the parliamentary ombudsman. The services of the ombudsman are free and he assumes the burden of moving forward once a complaint has been lodged with him.

The exemptions are very carefully and precisely contained in the secrecy act and generally cover the same sort of material as is accepted under the American system and proposed under Bill C-225. National security, defence matters, certain types of criminal investigation, exchange of documents with foreign powers, information which would breach the privacy of individual, all qualify as secret. In addition working papers with one or two exceptions are not made available until the decision in respect to which the papers have been prepared has been made.

In addition to these laws the Swedish parliament has also passed an automatic data processing law. This law makes provision for the registration of all who wish to gather material through computers; the establishment of rules under which the material is gathered and disseminated, and the establishment of an appeal board. Sweden seems to be the only country which has a specific law in this connection.

In Norway and Denmark there are laws which are much more recent in origin and which provide for a statutory right of access to certain documents, again with certain exceptions. One notable addition in the Danish system is that where, in the preparation of material for a policy decision, an oral communication is made, that oral communication should be reduced to writing and is then considered a document.

A common thread in all these countries is the attitude of the public servants. It is quite apparent that over a long period of time there has been a gradual eating away of these rights by the civil servants and the bureaucracy through actions of the government and the parliament from time to time.

Similarly, in Norway and Denmark, where preparations to proceed with legislation came much later, the civil servants made certain they would move very slowly and cautiously.

● (2100)

In the United States the freedom of information act, first passed in 1966 and then amended in 1974, is said to be founded on the principle that access of information to the public is necessary to determine whether the government is protecting the public interest. It recognized that access to such information is the life blood of a democracy and if it does not flow to the citizenry, democracy withers.

A second basis for the legislation is to make it possible for citizens to have access to facts that can be personally helpful to them. Regulatory agencies, for example, possess large amounts of data, such as inspection reports, consumer complaints, and product tests on a broad spectrum of goods and services, the efficacy of drugs, the nutritional

content of processed foods, corporate product and merchandising practices, the on-time performance and safety records of airlines, and so forth. The department of health, education and welfare makes inspections of federally supported nursing homes. The department of agriculture has data on pesticides and the purity and quality of meat and poultry. Housing and urban development makes FHA mortgage appraisals and monitors the practices of many large housing developers. The national highway traffic safety administration has safety and efficiency information on all makes of cars. The general services administration tests a wide variety of consumer products that are used by government agencies.

The freedom of information act in the United States provides in essence that any person has the right of access to, and can receive copies of, any document, file or other record in the possession of any federal agency or department subject to nine specific exemptions. Government employees face the possibility of sanctions if they arbitrarily or capriciously withhold information. In addition the act permits agencies to disclose records, even though they fall within an exemption, when there is no compelling public interest for withholding.

I am grateful for the opportunity recently afforded me as a member of the Standing Committee on Regulations and other Statutory Instruments to spend some time in Washington where meetings were held with various government departments and agencies deeply involved in the implementation process of the freedom of information act. The American experience has identified problems and pitfalls which we would do well to avoid. However, even in the short term in which the legislation as amended has been in effect, it has had a salutary effect on bureaucratic practices and abuses previously in existence.

As a result of the freedom of information act there is a fast growing tendency in the United States on the part of the bureaucracy to declassify documents at the time of their genesis, and thus in effect get rid of the documents by consigning them to the archives where they are totally accessible to the public, in the process relieving themselves of future problems in connection with people seeking access to such documents. In one case they point to an example of a body of documents containing some 45,000 pages, all of which had originally been classified as confidential. On re-examination, however, in the face of requests for access, it was found possible almost overnight to declassify 35,000 of the 45,000 pages. That is to say, 78 per cent of what had been considered in the first instance to be confidential was found upon reconsideration not to be confidential at all and was therefore declassified. Ultimately we were told that well over 90 per cent of this particular body of information was declassified.

This demonstrates, I suggest, the tendency of the bureaucracy to treat as confidential a vast body of material that is not really confidential at all and ought to be accessible to the citizens of the country. Let us not forget that it is the taxpayers who support the bureaucracy and for whose benefit the bureaucracy exists.

In conclusion, Mr. Speaker, I would like simply to reemphasize the need for access to information legislation. As was said by the Attorney General of the United States in 1968:

> If government is to be truly of, by and for the people, the people must know in detail the activities of government. Nothing so diminishes democracy as secrecy. Self-government, the maximum participation of the citizenry in affairs of state, is meaningful only with an informed public. How can we govern ourselves if we do not how how we govern?

Now in 1976, when government affects each individual in so many ways, it is more important than ever that the right of the people to know the actions of their governments be secure. As government secrecy grows with the size of its operations, so does public mistrust of that government. Mistrust of government by the Canadian people is seemingly at a high point and it is most important that this trend be reversed. As the situation now stands, there is nothing that guarantees members of parliament access to the information which is needed for us to carry out our responsibilities.

I would like to quote from an article written by Harrison Wellford entitled "Rights of people—the Freedom of Information Act". He wrote:

> In a democratic government, information—Especially timely information is the currency of power. The relationship between free access to information and responsible government is direct. Excessive secrecy blocks the citizen's ability to hold officials accountable.

Government must be aware in its decision-making that it is accountable to the people. It is my belief that Bill C-225 would go some distance toward impressing this fact upon cabinet ministers and civil servants alike, and thus improve the quality of our Canadian democracy.

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to the Secretary of State for External Affairs): Mr. Speaker, about the same time last year, the House discussed and rejected an opposition motion which accused the government of being too secretive. This phrase impressed me from the very first time I was elected because it is one of the usual charges made in the House against the government side, and echoed by political commentators.

Therefore I wondered to what extent this accusation was justified particularly because the public at large and the people who elect us generally, whatever our political affiliation may be, mostly express their frustrations in regard to government departments and agencies by saying that they cannot cut through the red tape, that they get lost in the bureaucratic maze. Government officials are not interested in their problems and concerns. People say: They don't care, and never will: They are too secretive. It remains that—and the previous speaker just said so—we come up against so many barriers when we look for some very basic information, often to answer requests by those same constituents, that I got to accept openly the idea that many data kept under secrecy should be publicized, either at the very time when they mean something to the citizens and their elected members, or directly 20, 30, or 70 years later, according to the regulations of the Canadian Archives.

In this regard, I appreciated the declaration of the member for Fundy-Royal (Mr. Fairweather) who emphasized the continuous process of informing the citizens, as opposed to releasing information during election peaks. In other words, I can summarize this first comment by saying that this information will have a certain value at a certain time, that is when it comes off the press, not six months, three or five years after a parliamentary crisis or election

promises. In my opinion, this is not a way to manage the circulation of information.

In a way, this is the conclusion of the seventh report of the Standing Joint Committee on Regulations and other Statutory Instruments on which the House is probably unanimous today. This positive work atmosphere is thus much different from that of February 20, 1975, when, if I remember well, an agency was accused of refusing to release a staff study report. Then, we must admit, we were playing politics and everything was based on the political concept as well as the adversary system derived from the legal milieu.

Before going further, I hope I will be allowed to say clearly what many members thought after some recent elections about this adversary system in politics. Evidently it comes from the newly elected members who are not used to the legal milieu and have no legal training. This political concept applied to the distribution of government information would rather restrict as much as possible the information which could be used by members of the opposition.

While I understand the political aspect of information accessibility, I am often embarrassed, if I may say so, by the scarcity of the information made public—I do not dare add, by the minister. And I speak as a government member. Is it due to a lack of experience? I am sure the hon. member for Peace River (Mr. Baldwin) or the hon. member for Winnipeg North Centre (Mr. Knowles) would spontaneously say so, or is it perhaps a new sensitivity to the concept of politics or to forces ratio that exist in the House of Commons, since it now comprises new players—the media. I think that only the future will tell.

About this political dimension of withholding information as much as possible from the "adversary", although not a member of the committee I read the most interesting evidence given by Professor Maxwell Cohen at the November 25 meeting of the Committee on Regulations and other Statutory Instruments. He does not hide the problem, he says non-equivocally:

● (2110)

[*English*]

When one thinks of power, then, one should think of it as a kind of centrepiece for the whole political process. And secrecy is within the centre of power itself. It seems to me that no political system operates without some degree of confidentiality.

[*Translation*]

It is clear, honest and realistic. But on the degree of information that should be standard, I continue to think that, generally, the government could give a lot more and still remain in office.

After the technical and specific statement made by the President of the Treasury Board (Mr. Chrétien), I cannot and I dare not get into the details of the titles of documents to be held confidential or to be released, but I would like to present tonight the view of an ordinary member of Parliament speaking on behalf of his constituents and anxious to support the principle of free circulation of information. Personally, I cannot understand why cabinet has not yet reversed the present rule that any document, and often any information, be regarded as confidential until further notice. It seems to me that on the contrary any document should be considered as public property, unless a decision to the contrary has been made, and the burden of proof, if I may use that phrase, lies or should then lie on the cabinet or the minister responsible. But I understand, in this regard, the distinction established by the President of the Privy Council (Mr. Sharp) about the decisions made in court. I think that the only acceptable reasons should generally be related to a code on national security, the success of industrial, commercial or other negotiations and the respect of the individual, to a code pertaining to the standards of privacy in Canada, for Canadians of course.

Until now, I have spoken without making any distinction between the government and the bureaucracy. I may have done so spontaneously, for I have yet to decide, having been on both side of the fence myself, which of the players mentioned are most guilty of withholding information the public and their elected representatives are entitled to. Who is the most guilty? The minister who does not publish a document, or the deputy minister who failed to advise him even of its existence, or again the civil servant who hid the report received from an expert—department or hired by contract—because the quality of the report would not be acceptable if the taxpayers were ever to suspect that some of the texts we have to accept are paid for with their money. I may sound as if I am joking, but I certainly am not. On the first day of my first session here, one thing struck me to which no one dares refer in public but to which we are all, I believe, subject to various degrees: fear.

All political men, and nearly all civil servants, and particularly senior officials, are afraid. If I had some books by Bernanos here, I am sure he could express better than me this dimension of human nature, which we are able to live, which I do not deny and which I should not want to deal with lightly in this House. Thus it is very realistic to ask that everyone, both hon. members and civil servants, work in a general atmosphere where there is an element of unknown and of stress associated with partisanship, which results in fear and paralyzes many private initiatives.

The proposal before us tonight asks us to approve in principle a piece of legislation concerning wider circulation of information. I am not sure that a piece of legislation will help people better understand what should be made public, or that it will not force these people to protect themselves against possible prosecution, by writing reports for publication or establishing an even more complex system of various communications which could not be published and which would be in fact the real reports. I must say I am worried by this question. A piece of legislation will try to define the criteria for the documents which should be made public. I do not think we can oppose this although I made some reservation on this.

But I do not understand why an effort is not made, well before a legislation is ready, to change by positive guidelines or urgings the atmosphere, the climate that prevails in many government offices. And, of course, this is something for each minister to do because the word is good only if it comes from the boss.

To give a concrete example, all my colleagues who worked for months on a special committee on immigration will know what I am talking about when I recall the hours of energy and efforts wasted trying to unravel the proce-

dures and practices followed by officers in the selection of new immigrants. The object of the crime, so to speak, happened to be a miserable manual nearly unreadable to a layman, published every three months, I think, and giving the rating of trades and professions according to their demand in Canada by area. In fact, that material is so confidential that when I wanted to find it in my own office to quote it in exact terms I never found it.

Hundreds of federal employees have been working with that manual in Canada and elsewhere for probably two years, a manual which, incidentally, and I emphasize this, is a key document for anyone wanting to do a good job according to the regulations on immigration.

It is really impossible for me to accept, and I am not the only one who thinks so, that parliamentarians who ask for it and need it for their work do not receive a copy as soon as it comes off the press. Personally I go even further. I do not understand why landed immigrants who sponsor a new applicant, or applicants themselves, are not explained the rules of the game and what their trade corresponds to in terms of the needs of this country. Abuse? The trickery of the system? That is a joke! My working experience with the public in the public service before my election tells me that the percentage of smart guys who would fool the system and lie, for example, about their occupation would be very low, everything considered, and second would be easy to check out.

Anyway, I assume that generally people are rather honest on our side and among the public. That frame of mind, that compulsion to withhold everything rather than release information is an insult to the intelligence of the people and members of parliament.

Here is another example just as commonplace. I cannot begin to understand why certain of our constituents have to take the time to write to us, asking that we get in touch with officials in some departments in order to find out why they were not hired for such or such a job awarded under a public service competition. I cannot see why we should be sent from one official to another, why everybody should lose expensive time, when it would be a simple thing to send a circular letter that would not flatly indicate: "Sir or Madam, you are not accepted". A blank space could be provided for various statements such as: "You have been awarded rank 464 of 5,000 candidates, unfortunately 100 only were hired." People would get a more concrete view, and very few would pursue the matter any further. After all, this is their most basic right.

Mr. Speaker, I would conclude with a renewed suggestion. Since I was first elected to this House three and a half years ago, I have heard it suggested by members from all sides that we should have freedom of information, as the point has been made in a rather moving way by the hon. member for Timiskaming (Mr. Peters).

I believe that we would have to be masochists to say that we do not have enough information. Our desks are full of all kinds of papers that are given to us at any moment of the day or evening. However, I prefer the subtle interpretation given by the hon. member for Fundy-Royal (Mr. Fairweather) who spoke of a continuous process, to which I would add the time dimension of information. Information is a living thing, and is valid, if I may say so, only as soon it is printed.

Some very factual and statistical documents must of course be used afterwards for a very long time, but the information is much more valuable when it is new. I will close with my hobbyhorse, which expresses in a way the fear of many politicians, men and women, and which, in passing, could be the symbol of the freedom of information, that is the wish that all our debates be televised for the public as soon as possible.

● (2120)

[*English*]

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I think it is fair to say that most of the time spent in this Chamber by members in discussion, in debate and so on, is spent on issues of the day, bills, and problems which come up that are important in terms of the circumstances of the day, or a problem which exists today.

Seldom and too infrequently do we have the opportunity to discuss a subject which perhaps does not affect us immediately and does not have an immediate effect on our constituents or the country, but yet which over the long haul may have a profound effect. Today we have that opportunity in discussing the report of the Committee on Regulations and Statutory Instruments by means of the motion brought forward by the hon. member for Halifax-East Hants (Mr. McCleave), which deals with freedom of information. As I have indicated, this is not of immediate importance to the people of Calgary Centre, Peace River, or any other constituency, in the sense that it will affect the way they live tomorrow, next week or next month. However, in terms of Canada and the type of government and society we will have in the future it is of vital importance.

It has been acknowledged by many people that to a great degree knowledge is power. There is, therefore, a very natural tendency on the part of the government to hoard knowledge in order to retain power. The hon. member who preceded me, the hon. member for Saint-Michel (Miss Bégin) said, and I think I am quoting her accurately, that the government could give more information than it is giving, and still remain in power. I agree with that statement. Yet that is symbolic of this concept that knowledge is power. There is in that statement a sort of recognition that the giving out of knowledge may in some way result in a weakening of the holding of power. Of course it is that fact which causes the civil service, the government and the cabinet to want to retain as much knowledge as possible and to be reluctant to give out knowledge.

On occasions such as today, when we have the opportunity to debate this subject, it is important to remind ourselves that this is a democracy and that it should be the people of Canada who should have this power. In a survey of the world situation it would appear that democracies as we have known them are diminishing in number. Whether or not they are being threatened may be a subject of debate. However, the people of Canada and the people who live in countries which are fortunate enough to be democracies are firmly convinced this is the best system. Nonetheless it is threatened.

Democracies can be retained in a serious way only if we retain in a serious way the fundamental concept that it is the people in democracies who have power. If they are to

have real power they must have knowledge. They must have access to all the knowledge that is accessible. Certainly if any meaning is to be given to the phrase "participatory democracy" it quite clearly is participation by people who are knowledgeable and therefore people who have access to all the knowledge available.

● (2130)

Let me make the observation that the debate today on all sides has been on a very high level, and indeed if the government reflected in its policy in regard to the dissemination of information the opinions expressed by members who spoke today, I suggest there would be no reason for this debate and no reason for the motion of the hon. member for Halifax-East Hants, which was based on the work conducted for many years by the hon. member for Peace River (Mr. Baldwin). I do not mean to imply that the hon. member for Peace River is getting old. We should all be so young!

Mr. Knowles (Winnipeg North Centre): We are all getting younger.

Mr. Andre: I hesitate to throw a partisan note into this very high level debate, but the attitude expressed by government members today is not reflected in the wooliness with which they have been dispensing information under their control. That is why this debate is necessary, and so is action on a freedom of information act. If the government were more free with information than it has been and than it is, such an act would be an aid for it, particularly now when the government is endeavouring to introduce a restraint program on the growth of public spending.

It is interesting that in the 1975 review by the C. D. Howe Research Institute, a study which dealt in large measure with inflation and the extent to which government spending contributes to inflation, a document which dealt in an even handed manner with this problem, there is a recognition that one of the major contributors to inflation is government spending. The study also acknowledged that there are tremendous pressures on the government to spend more on health, regional problems, transportation, etc. The document also pointed out that in a democracy there is only one answer to that sort of pressure, that is, full and complete information provided to the public.

I should like to quote from the 1975 review which states:

> It is clear that governments will have to impose a new form of spending restraint on themselves because there are not sufficient natural restraints forcing them to assess the productivity of their spending. As a first step in this process of self-discipline the public should be given more and better information on the spending process.

So that far from a purely negative thing, giving out more information being a reduction of power which the government might hold, in fact it would be very beneficial if the government were more forthcoming with information on the spending processes. It would find it far easier to introduce the type of spending restraint that is now required if the anti-inflation program it is attempting to implement is to be successful. So I think it would be of benefit to the government if it divulged more information.

The President of the Privy Council (Mr. Sharp) indicated in his remarks that budgets nowadays are far more elaborate than they were when he was a civil servant in the Department of Finance. The fact that they are thicker and more elaborate does not mean they contain more information. The C.D. Howe Research Institute study states quite plainly that there is a difference between verbosity and communicating information, and the type of thing the minister was referring to, the production of huge documents on how our dollar is spent, in a green or a white paper, does not constitute freedom of information. What the public needs to know are the facts before the spending process, the facts before the fund raising processes, not opinions put in fancy documents primarily intended to back up the judgment of the minister.

I can give a few examples of where the government is being overly secretive. A press release was issued by the former minister of industry, trade and commerce now the Minister of Energy, Mines and Resources (Mr. Gillespie) stating that Canada sold a CANDU reactor to South Korea for some $300 million. He also indicated that this would be financed by the Export Development Bank. When we asked for the interest rates charged for this money, the minister refused to give us the information. Again today the minister refused to answer questions on this subject put by the Leader of the Opposition (Mr. Stanfield). Without that information the figure of $300 million is absolutely meaningless.

A small part of the information is sometimes worse than having no information. If my wife came home and said she spent $10,000, I would be ready to faint, but if she told me that she spent that over a period of two or three years on groceries, that would not be so bad. So part of the information is worse than having no information, and that is what we have on this CANDU reactor. Without the figure on the interest rate, the figure on the sale of the reactor is meaningless.

I recall the time when we were discussing the bill to establish Petro-Canada. The minister was asked whether his department had undertaken a study of national petroleum companies in other jurisdictions. He indicated that such a study had been undertaken, but when we asked for that information he said it was an internal document which could not be made public. In the end we were almost forced by closure to pass the bill to set up a national petroleum company which was authorized to spend $1.5 billion of public funds. We had to pass the bill without having the background papers which led the government to conclude that such a company was desirable.

The President of the Privy Council spoke about ministerial responsibility, and said that under our system civil servants must be free to provide frank information and opinions so that the minister can be in the best position to make decisions. We do not argue with that, and perhaps this comes from the fact that the minister has spent too little time in opposition because he forgets that in fact it is parliament which passes bill, and which takes the responsibility for the implementation of legislation. Yet time and time again parliament is asked to make these decisions without information.

● (2140)

If working papers are to be kept secret, this assumes that working papers are opinion and not fact, or that they contain more opinion than fact. I would be shocked to

think that the government is making decisions on legislation and policy based entirely on the collective opinions of civil servants rather than facts. If the government has access to facts in its decision-making process and then puts forward to parliament a bill based on its decision, then the government has an obligation, I maintain, to make all the facts associated with that bill—not just the facts which support the government's case—accessible to members of parliament, because it is parliament which is called upon to make decisions.

Mr. Guay (St. Boniface): Give us just a couple of minutes.

Mr. Andre: Don't you have a plane to catch, Joe?

Mr. Guay (St. Boniface): No, but I want to speak. You are talking it out, and you haven't said anything yet.

Mr. Andre: You have been talking so much that you cannot hear. You cannot listen and talk at the same time, Joe.

Mr. Guay (St. Boniface): Give us a couple of minutes.

Mr. Andre: Keep it up, we are just about finished.

As part of a freedom of information package which would govern the handling of information, I think it is absolutely essential, if we are going to maintain any illusion at all of parliamentary democracy, with parliament enacting laws, that parliament have complete and total access to all information. It is unsatisfactory for a minister of energy, mines and resources to tell a committee, as was the case with regard to a committee I was on, that the committee cannot see a study made by the Department of Energy, Mines and Resources on petroleum companies.

Mr. Blais: Mr. Speaker, I rise on a point of order. I simply wish to inform the hon. gentleman that we are dealing with a motion which is specified in the order paper, and I should have preferred that he close the debate on the same non-partisan note in which the debate has been conducted.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. I must say that I was listening very carefully to the remarks of the hon. member, and they were quite related to the motion.

Mr. Andre: Just very quickly in conclusion, all background information related to bills must be made available to members of parliament. All consultant studies must be made available and public. All facts in working papers—we are not looking for opinions—must be made available, and committees of this House must have the right to question civil servants on any aspect of public policy which they feel would be relevant and important to members of parliament.

Mr. Deputy Speaker: Order, please. It being 9.45 p.m. it is my duty to interrupt the proceedings and put forthwith every question to dispose of the motion now before the House. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

Mr. Deputy Speaker: Is there unanimous consent that we call it ten o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being ten o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 9.47 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, February 13, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SUGGESTED DELAY IN VESTING IN CANADA OF THOUSAND ISLANDS BRIDGE PENDING CONSULTATION WITH ONTARIO—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to propose a motion under the terms of Standing Order 43 arising out of the government's disregard of existing statutes of the year 1936 which state that the Canadian section of the Thousand Islands International Bridge will revert to, and become the property of, the government and the people of Ontario as of March 1, 1976. I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House condemns the illegal and unwarranted attempt by the government of Canada to seize without compensation as of March 1, 1976 the Thousand Islands International Bridge and all its assets in Canada valued at more than $25 million from the government and the people of Ontario to whom it rightfully belongs by law as of March 1, and further the House orders the government to immediately desist from proceeding further without full consultation with the provincial government and full public disclosure on this matter to the taxpayers of Ontario.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

FAILURE OF GOVERNMENT TO CORRECT PRACTICE OF RUG-RANKING OF SECRETARIES—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Mr. Speaker, tomorrow is the second anniversary of the St. Valentine's Day march on Parliament Hill by federal government stenographers, protesting the despicable practice of rug-ranking whereby secretaries are paid, not according to their qualifications but according to the person for whom they work. The federal government promised fast action some two years ago and, despite all the pious speeches of International Women's Year, rug-ranking even on Parliament Hill still exists.

I therefore move, seconded by the hon. member for New Westminster (Mr. Leggatt), and I should like to present in conjunction with this motion this valentine to the Acting Prime Minister (Mr. Drury):

That this House condemns the government for its lack of action in dealing with a matter of considerable concern to some 18,000 of its employees—the practice or rug-ranking—thereby showing, once again, that it is quite heartless.

Mr. Speaker: Order, please. Such a motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon Members: No.

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VETERANS AFFAIRS

REQUEST FOR STATEMENT BY MINISTER ON PENSIONS FOR PRISONERS OF WAR—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is a matter of urgent and pressing necessity. I therefore ask leave under the provisions of Standing Order 43, to move, seconded by the hon. member for Waterloo-Cambridge (Mr. Saltsman):

● (1110)

That this House deplores the fact that no statement was made yesterday, as had been promised, concerning legislation respecting Canadian veterans who were prisoners of war as recommended unanimously by the Standing Committee on Veterans Affairs in its report of June 12, 1975, and calls on the Minister of Veterans Affairs to make such a statement without further delay.

Mr. Speaker: Pursuant to Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDUSTRY

REQUEST FOR STATEMENT ON PLANS FOR RATIONALIZATION OF AEROSPACE INDUSTRY AND FITTING DOUGLAS AIRCRAFT INTO SUCH PLAN—MOTION UNDER S.O. 43

Mr. Max Saltsman (Cambridge-Waterloo): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that Douglas Aircraft apparently intends to lay off some 1000 members of its 1,650 member work force, and in

view of the fact the North American aerospace industry has been experiencing difficulties especially in regards to finding markets for commercial aircraft, I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the Minister of Industry, Trade and Commerce be instructed to report immediately to this House his progress and future plans regarding the rationalization of the Canadian aerospace industry and how Douglas Aircraft of Canada fits into such a rationalization. The immediate nature of this matter cannot be over-emphasized if we do not want to see a repeat of the loss of skilled craftsmen and technical personnel that occurred when the Avro Arrow program was abruptly ended.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House. Is there agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

APPEAL FROM GUATEMALA FOR LUMBER AND GALVANIZED TIN TO AID EARTHQUAKE VICTIMS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under the provision of Standing Order 43 on a matter of urgent and pressing necessity. The head of the Guatemala Forestry Institute has appealed to Canada to rush lumber and galvanized tin to build at least 20,000 cabin type houses for earthquake victims before the rainy season starts in May. I move, seconded by the hon. member for Northwest Territories (Mr. Firth):

That Canada immediately answer the appeal.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion cannot be presented without the consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—DATE OF DECISION ON EXPORT LEVY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance who on Friday last indicated that reconsideration of the export levy would come up before the cabinet sometime this week. When the minister made that statement he presumably knew that half his colleagues would be in British Columbia this week. Before going into the question of how the government reaches decisions on matters, may I ask the minister if the government has taken a decision with regard to any reconsideration of the export levy and if so what is the result?

[Mr. Saltsman.]

Hon. Donald S. Macdonald (Minister of Finance): Not yet, Mr. Speaker.

Mr. Stanfield: Well, Mr. Speaker, I do not know if there is any use asking the Minister of Finance when the decision will be taken since he seems to have been such a poor forecaster last week, but would he tell us when this very important decision will be taken and when it will be announced to the House.

Mr. Macdonald (Rosedale): The cabinet will be discussing the question. It is a matter to be discussed. I cannot predict exactly when it will arrive at a decision.

ANTI-INFLATION PROGRAM—NUMBER OF PROVINCES SIGNING AGREEMENTS TO JOIN PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I will see if the minister knows—

Mr. Baldwin: Anything.

Mr. Stanfield: —anything about this. Can he tell us whether any more provinces have signed the agreement or have committed themselves definitely to signing an agreement with relation to the anti-inflation program, since some two weeks ago the minister said there were only some special problems of a minor nature standing in the way of such signatures and it is now some four months since the Prime Minister invited the provinces to join this marvellous crusade of the federal government.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, there have been no fresh signatures. There is some indication there might be several more next week. We naturally would very much like the provinces to resolve their internal discussions in this regard and participate as soon as possible. But I go back to the point I have made frequently that this is a program in which we are seeking the support of the provinces and we recognize there are difficulties for the provinces in imposing these kinds of restraints on the people in their own public sector. Therefore, we have been discussing the individual problems before their signatures.

Mr. Stanfield: I have one final supplementary question, Mr. Speaker. Does the minister feel he will have all the ten provinces in by the end of three years?

Mr. Macdonald (Rosedale): I appreciate the support of the hon. member for the three year period. That is just another change in his position.

ANTI-INFLATION PROGRAM—REQUEST FOR REPORT ON OPERATION OF PROGRAM

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Finance with respect to the program which was just alluded to in the question of the Leader of the Opposition. Yesterday the minister said that he would not give the House continuous reports with respect to the operation of the program but, as the Leader of the Opposition has said, the program has been in operation for some four months. Would the minister not agree to give the House a full report next week on the talks with

the provinces and on the activities and price initiatives of the Anti-Inflation Board, particularly in view of the cost of living increases that were announced yesterday?

Hon. Donald S. Macdonald (Minister of Finance): I would be pleased to do so, but of course within the context of the appropriate parliamentary opportunities.

ANTI-INFLATION PROGRAM—EFFECT ON INVESTMENT

Mr. Walter Baker (Grenville-Carleton): In view of the importance of this program in relation to the whole question of the economic position of Canada, and in view of the statement on January 22 of the treasurer of Ontario who echoed the concern of the chairman of the Economic Council of Canada about the potential inflationary dangers of inadequate investment and the difficulty that this program might create for investment, does the government have a prediction as to the capital investment and the increase thereof in 1976, which the Economic Council of Canada cited at 2 per cent for itself and which the treasurer of Ontario called a potentially disastrous situation for Canada? What is the government's prediction for the period?

Hon. Donald S. Macdonald (Minister of Finance): As I have indicated to previous questions, that is the kind of question which I think could be dealt with most effectively in a general economic statement that accompanies the budget. I do not think there would be much usefulness at this point in trying to make such statement.

ANTI-INFLATION PROGRAM—SUGGESTED RECONSIDERATION OF DATE FOR BUDGET IN VIEW OF INCREASED COST OF LIVING

Mr. Walter Baker (Grenville-Carleton): Having regard to the statement just made by the minister with respect to the budget, if that is where it is to be made, has the minister reconsidered the date he set for the budget in view of these things that are important to the Canadian economy as a whole, and in view of all the unanswered questions with respect to the anti-inflation program and questions that were brought home to us all yesterday by the increase in the cost of living in this country?

Hon. Donald S. Macdonald (Minister of Finance): It seems to me that the hon. member is confusing two things. In the course of the budgetary statement, of course, the government attempts to set out what it feels will be the trend in economic factors, including the levels in investment, and it really makes no sense to do that except in the context of a budget. As to the anti-inflation program, as I mentioned yesterday, there will be opportunities within the House proceedings to discuss either details about this or the program in general, and I would be quite happy to do so within these opportunities.

Oral Questions

ANTI-INFLATION BOARD

NUMBER OF CORPORATIONS SELECTED FOR PRICE MONITORING—REQUEST FOR LIST OF NAMES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Finance. Yesterday, in reply to questions put to him by me the minister did not deny that the government had selected only 350 corporations for its price monitoring procedure. I should like to ask the minister explicitly today: has the Anti-Inflation Board selected only 350 corporations for such monitoring and, if so, what was the basis for that selection? Will the government take steps to provide a list to the House, and therefore to the people of Canada, of these corporations?

Hon. Donald S. Macdonald (Minister of Finance): I am not sure of the figure to which the hon. member is referring. The government has in fact sent out the requirement to file to 6,500 firms.

Mr. Broadbent: I am aware, as I think other members are, that the board sent out a list in January to 6,500 firms, but it is also a fact that they are only looking at some 350 within that list, and it is on that point I want confirmation from the minister. Have they or have they not simply selected 350 from this list of 6,500, which is only in the neighbourbood of 5 per cent, and if so, does the government really believe it can have an effective price control program by monitoring such a few firms?

• (1120)

Mr. Macdonald (Rosedale): I think it would be more accurate to say that while it may not be possible to continuously monitor 6,500 firms, selective monitoring, as indeed occurs under our income taxation system, of the returns—

Mr. Broadbent: Very different.

Mr. Macdonald (Rosedale): It is exactly the same thing. The sampling would be an effective means of putting those reporting on their operations under scrutiny, and it will be known that a scrutiny is being conducted.

REASON FOR GIVING SOME OFFICIALS ADVANCE NOTICE OF DIVISIONS—REQUEST FOR NAMES OF OFFICIALS

Mr. Edward Broadbent (Oshawa-Whitby): With regard to the efficacy of the same program, would the minister confirm that the Anti-Inflation Board is giving advance notice of its decisions to seven government officials in government departments outside the Anti-Inflation Board, including the Prime Minister's office, before such information is made available to the public and to other members of the House of Commons? If it is in fact providing such information to seven or so government officials, would the minister inform the House why these people are being informed in advance, and would he provide a list of the names to the House?

Hon. Donald S. Macdonald (Minister of Finance): I am not sure whether there are seven. It seems to me to be common sense, however, that a board which reports to the government—indeed, through me to parliament—should be keeping in close touch at all times with other aspects of the

Government of Canada. I fail to see any sensible objection to this being done.

* * *

[*Translation*]

STATISTICS CANADA

OMISSION OF QUESTION CONCERNING SPOKEN LANGUAGE FROM QUINQUENNIAL CENSUS FORM

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the minister responsible for the census or to the Acting Prime Minister.

As the next quinquennial census will begin on June 1, 1976, can the minister tell the House why the question on the use of language at home will be withdrawn and what about the recommendation of the Royal Commission on Bilingualism and Biculturalism suggesting the question which was maintained in the 1971 census?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the census will be made on a five-year period; but for the next census in 1981, the matter will surely be considered.

Mr. Gauthier (Roberval): Mr. Speaker, I have a supplementary question.

I want to know why it has been removed. Is it not believed that it will have a tremendous effect on statistics in Canada?

Mr. Roy (Laval): Mr. Speaker, as I said, it is the five-year census and when we will take a much more complete census with a much larger sampling, in 1981, this question will surely be considered for its application.

* * *

[*English*]

TRANSPORT

FAILURE OF RAILWAY COMPANIES TO REMOVE SNOW FROM BRANCH LINES—REQUEST FOR ACTION—ATTITUDE OF COMPANIES TOWARD BRANCH LINE OPERATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in the absence of the Minister of Transport I should like to direct a question to the Minister of Public Works as Acting Prime Minister. It has to do with the serious situation with regard to the railway lines in western Canada, and particularly in northern Saskatchewan. I refer to branch lines where no serious effort is being made with regard to snow removal, with the result that small towns and villages are actually isolated. Will the minister get in touch today with both the CNR and CPR and impress upon them the necessity for immediate action?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, I would be glad to see that the officials in the Department of Transport do proceed along the line of action suggested by the right hon. gentleman.

Mr. Diefenbaker: I was asking the Acting Prime Minister to do this himself because nobody knows where the Minister of Transport is perambulating today, whether politically or otherwise, and this situation has to be faced now. I therefore ask as a supplementary question if the minister agrees with the widely held view—and I am of that opinion too—that there is a concerted effort on the part of the railway companies to bring an end to branch lines in the western provinces and, in particular, to have no concern for a continuance of passenger service on branch lines?

Mr. Drury: No, Mr. Speaker, I do not agree with that view.

Mr. Diefenbaker: That is the kind of answer the government has given in connection with this whole problem.

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EXTERNAL AFFAIRS

SUGGESTION MR. IVAN HEAD BRIEF MEMBERS OF STANDING COMMITTEE ON RESULTS OF PRIME MINISTER'S VISIT TO CUBA

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is for the Parliamentary Secretary to the Secretary of State for External Affairs. When Mr. Ivan Head returns from his trip to London and other capitals to brief ministers and officials on the results of the Prime Minister's discussions with Premier Castro, would it be a courteous gesture if he were to brief the Standing Committee on External Affairs? Would the hon. lady discuss this proposal with the chairman of that Standing Committee?

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I feel like taking rather lightly the suggestion made by my hon. colleague from Fundy-Royal, who should know better, as we say in English.

Of course, the Secretary of State for External Affairs is the first to be informed of such visits made in the name of Canada. In any event, I shall convey to the Minister the remark just made by my hon. colleague.

* * *

[*English*]

HEALTH

RESPONSIBILITY FOR MEDICAL SERVICES TO WHITES AND INDIANS IN NORTHERN QUEBEC—GOVERNMENT POSITION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of National Health and Welfare. As the minister is probably aware there are claims from northern Quebec that isolated communities are receiving no medical facilities because the federal and Quebec governments are in a quandry over jurisdiction. Will the minister please clarify the state of negotiations with Quebec and state who is responsible for medical services for whites and Indians?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have asked for a report on the situation in Mistassini. This detailed report has not yet been handed to me. As soon as I get it, I will be pleased to

give a detailed answer to the hon. member's question. However, I can tell him that it happens occasionally that positions are vacant and difficult to fill immediately, whether in Northwest Quebec or in communities located in the Arctic. This can have been one of the situations where some vacancies have not yet been filled.

[*English*]

Mr. Neil: A supplementary question, Mr. Speaker. It has also been claimed that provincial doctors visiting reserves have been asked to stay away by federal nurses. Will the minister clarify this statement and state what interim steps his department is taking to provide proper medical services?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I have read the same allegations as did the hon. member, and, as I said earlier, I am not able at all to confirm or deny anything in this respect, but I find it strange to read in the same press report that they complain about the lack of nurses while they say two lines further that the lack of nurses would prevent doctors from going there. Therefore, this seems to me at least incoherent or inconsistent within the same press report.

[*English*]

ALLEGATION ANTHRAX SPORES CARRIED ON IMPORTED WOOL—INQUIRY AS TO INSPECTION PROCEDURES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of reports that the spores of anthrax have been brought into North America and Canada on wool yarn imported from outside this country, and in view of the danger this poses not only to the health of humans but also animals in Canada, can the minister indicate whether the government carries out any inspection on this type of imported material and if not, could he tell us why not?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I refer the hon. member to the news release which was issued jointly by my colleague the Minister of Consumer and Corporate Affairs and myself on February 12, in which we reported that spores of anthrax had been found in a certain quantity of the wool imported in Canada. I think that this was found as a result of inquiries and inspections by the inspectors of the departments concerned.

[*English*]

Mr. Yewchuk: A supplementary question. It appears that no routine inspections are carried out on these imported processed wool products, and indeed inspection of raw wool is only a partial inspection and that if raw wool fails to pass inspection the treatment of the raw wool does not include anything that would necessarily destroy the spore of anthrax. Are these procedures being reviewed and updated in the interest of the health of the Canadian people and Canadian animals?

● (1130)

[*Translation*]

Mr. Lalonde: Mr. Speaker, I will be glad to give serious consideration to representations of the hon. member.

* * *

[*English*]

EXTERNAL AFFAIRS

GUATEMALA—EFFORTS TO LOCATE MISSING CANADIANS FOLLOWING EARTHQUAKE

Mr. Frank Maine (Wellington): Mr. Speaker, in the absence of the Secretary of State for External Affairs, may I direct my question to his parliamentary secretary? As many as nine Canadians, mostly in one group, from Guelph, Ontario, have been missing in Guatemala since the recent earthquakes began. Since their disappearance is causing great anguish to their parents and the public, could the minister consider taking special measures beyond those already being taken to locate these people and so end the suffering?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I can report to the House, to answer the concern of my colleague which is shared by many Canadian families, that special measures are being taken. We think, on the basis of telephone calls received from Canadians here, in Canada, the work of our embassy in Guatemala and the work of our special task force, that the total number of Canadians in Guatemala can be evaluated at 600. Of these, 460 have been located, if I may use that word. The Department of External Affairs is maintaining communication with families to the greatest extent possible during days, nights and weekends.

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VETERANS AFFAIRS

PENSIONS FOR FORMER PRISONERS OF WAR—DATE OF STATEMENT BY MINISTER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs? In view of the keen disappointment which will be felt by many who are concerned about the fact that no statement was made yesterday concerning legislation respecting former prisoners of war, may I ask the minister if this matter is still under urgent consideration in cabinet and whether we may anticipate a statement by the minister before the end of February?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, yes, the POW matter is still under study, intensive study, by the way. I think, if the hon. member will look at the comments I have made over a period of time concerning the statement to the House, he will see that I said I hoped to be able to make one in two weeks. I still intend to make a statement after I have finished consulting with my cabinet colleagues.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, within two weeks of what date?

Mr. MacDonald (Cardigan): Mr. Speaker, I prefer not to tie myself down at this time.

PENSIONS FOR FORMER PRISONERS OF WAR—POSITION OF MINISTER IF CABINET FAILS TO SUPPORT MEASURE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I direct a supplementary question to the Minister of Veterans Affairs? As the cabinet has not supported the minister in his intentions to introduce legislation with regard to prisoners of war, and I should say that everybody realizes the minister's concern, what will his position be in the cabinet if the cabinet will not support him in his intentions?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, with regard to my position in the cabinet, I am the one who made the presentation to cabinet and when making my presentation, it was quite obvious what my intentions were.

* * *

ENERGY

PRODUCTION OF OIL FROM COAL—REQUEST FOR REPORT OF GOVERNMENTS ATTITUDE TOWARDS PLAN

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. As stated in December, the plant of the South African coal, oil and gas corporation is producing petrol, oil and gas from coal. A second plant is now into production. It could eventually lead that country toward greater self-sufficiency in oil from coal. The minister promised, when I first asked a similar question in December, to send an expert to South Africa, to check on this process. I should like to know if this has been done. If so, would the minister tell the House what he has learned and if he is contemplating the construction at an early date of such a plant in Nova Scotia, in order to use our coal, ease our unemployment and help to make us more self-sufficient in oil.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think it is too soon to say that we have reached the point where we can make a decision with respect to such a plant. I can tell the hon. member that members of my department have been to South Africa. They are familiar with the technology and have been looking at other technologies. They have been talking to the various coal-producing provinces concerned, to the Canadian Coal Association and to various companies within the association trying to interest them in a co-operative approach to new coal technologies.

Mr. Baldwin: Have you talked to the CTV people yet?

[Mr. MacDonald (Cardigan).]

REGIONAL ECONOMIC EXPANSION

GOVERNMENT INTENTIONS WITH REGARD TO NEW PLANS FOR ECONOMIC DEVELOPMENT OF CAPE BRETON

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. I regret not having given him notice; I think he is familiar with the problem, because he visited Cape Breton Island some weeks ago. As the residents of Cape Breton Island are suffering economically from the lack of jobs on the island, is the minister, with his departmental officials, formulating new plans for economic development on the island?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, as the hon. member said himself, there have been recent consultations between the representatives of the Sydney area, members of the provincial government and representatives of my own department. During that meeting, they naturally analyzed the situation with regard to unemployment in Cape Breton and attempted to set up, by creating a special committee, a program to be implemented quickly and remedy the difficult situation in which the citizens of that area now find themselves. I know discussions are being pursued and we can hope that, in the near future, the various levels of government will be in a position to make concrete proposals with a view to setting up a program, at least on a temporary basis for the time being, to face present difficulties. But, with regard to a long term development program to create jobs on a permanent basis, the hon. member knows full well that the Department of Regional Economic Expansion is now in the process of studying jointly with the provincial government a number of very important industrial files. We still hope that the time will come soon when we will be in a position to give more specific information in this regard.

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EXTERNAL AFFAIRS

POSSIBLE RECOGNITION OF NEW GOVERNMENT OF ANGOLA

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I have a question for the Secretary of State for External Affairs but, in his absence, I shall direct it to his parliamentary secretary.

In the light of recent events in Angola, and more particularly the recognition of the People's Republic of Angola by the OUA and the effective control the MPLA seems to have on virtually the whole territory, does the minister or the parliamentary secretary consider recommending, in the very near future, recognition of the MPLA as the legitimate government in Angola?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I think that the Secretary of State for External Affairs has clearly established the position of Canada as regards the recognition of Angola, in his public statement of January 20. According to the news, a faction seems to progress in the country, but it remains that the rules governing recognition of the state of Angola did not change and that they

Hon. Barney Danson (Minister of State for Urban Affairs): I realize that our targets and accomplishments are high and that they may appear up in the air to the hon. gentleman, but we have been able to reach them on each occasion and I hope we continue to enjoy the same degree of success.

As to the specific question asked, we are not, of course, attempting to judge where people should live—that is a free choice to be made in this country—but we do work at making practical alternatives available. The specific example I can give the hon. member is the $100 million commuter-rail program designed for new commuter projects which allow for decentralization so that people can live away from the major centres and yet have relatively easy access.

I could refer, also, to our housing programs, and I would be delighted to give the hon. member some details on these, but I am sure you would cut me off, Mr. Speaker. They are intended to provide an effective alternative of a family home for those who are prepared to live outside the larger cities. Present programs also recognize the difficulty young families experience in finding single family homes in major cities. We are making it possible for them to find attractive housing in more concentrated form—

Some hon. Members: Order.

Mr. Danson: —in the major cities. This leaves, as a further alternative, the possibility of moving out from areas of major concentration.

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ANTI-INFLATION ADMINISTRATOR

INQUIRY AS TO DECISION IN IRVING PULP AND PAPER CASE

Mr. Joe Flynn (Kitchener): Mr. Speaker, my question is for the Minister of National Revenue. Would he please tell us whether the administrator has made a decision in the Irving pulp and paper case.

Hon. Jack Cullen (Minister of National Revenue): I thank the hon. member for letting me know he intended to ask this question. I have received a report which I shall be tabling at the appropriate time under Standing Order 41(2). The administrator has, in fact, found Irving Pulp and Paper in contravention of the anti-inflation guidelines and has ordered the company to make payments totalling $125,000 to the Crown and set the per cent increase at 14. I might say that $100,000 represents a portion of the payment and $25,000 is a penalty for having knowingly contravened the guidelines.

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FINANCE

ALLEGATION BANKS REFUSING FARM IMPROVEMENT LOANS—GOVERNMENT ACTION

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Finance. It has recently been brought to my attention that some of the banks in Canada have been refusing farm improvement loans to farmers who are eligible for those loans. I should like to ask the minister whether this legislation is still on the books and whether the banks are supposed to adhere to it. The same thing happened about a year and a half ago and at that time, the hon. gentleman's predecessor made a statement in the House which improved the situation.

Hon. Donald S. Macdonald (Minister of Finance): I thank the hon. gentleman for bringing this matter to my attention. I would be glad to inquire further into it and if he has any specific examples which would assist me in this regard, I would be glad to hear about them.

Mr. McKinley: That is not really answering my question. Are the banks supposed to adhere to this legislation or not?

Mr. Macdonald (Rosedale): The banks are supposed to adhere to all the legislation passed by parliament which refers to them. As to the specific question asked, the banks are not obliged to make a loan to anyone, irrespective of the quality of the risk. There is an element of judgment involved. As I said to the hon. member, if he has examples in mind I would be glad to have details and to pursue the matter.

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[*Translation*]

NATIONAL PARKS

SAGUENAY—CONSULTATIONS WITH QUEBEC CONCERNING ESTABLISHMENT

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the President of the Treasury Board. Considering the minister's special interest in opening national parks in Quebec, would the minister tell the House if the federal government still intends to make arrangements with Quebec for establishing Saguenay Park?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the federal government's position has not changed in four years. We would be very pleased to have a national park on Saguenay fjord and to include it among the most popular national parks in Canada.

* * *

[*English*]

FINANCE

REQUEST FOR REPORT ON AVAILABILITY OF SMALL BUSINESS LOANS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Finance if I may get his attention. While he is checking into the farm improvement loan situation will he also look into the availability or otherwise of small business loans which are also government guaranteed loans?

Hon. Donald S. Macdonald (Minister of Finance): I would be glad to do so, Mr. Speaker.

apply to any country in the same way. When a government has effective control of the country, we will of course establish immediate official relations with them.

* * *

● (1140)

[*English*]

NATIONAL DEFENCE

POSSIBILITY ACQUISITION OF MILITARY EQUIPMENT WAS CONSIDERED IN EXCHANGE FOR LINK WITH EUROPEAN ECONOMIC COMMUNITY

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, might I direct my question to the Minister of Public Works in his capacity as Acting Prime Minister in an attempt to discover whether or not, as part of the negotiations or discussions leading to contractual links with member countries of the European Economic Community, there was any talk or any exchange of notes with respect to the offshore acquisition by Canada of military hardware or engineering work-up and design in connection with either a fleet replacement program for maritime command or the acquisition of a tank replacement?

Hon. C. M. Drury (Acting Prime Minister): I am not aware of any such arrangements, either actual or contemplated, but I will be glad to inquire.

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SUPPLY AND SERVICES

CONTRACT WITH LOCKHEED FOR LONG-RANGE PATROL AIRCRAFT—ALLEGATION RESPONSIBILITY FOR LONG-TERM FINANCING REASON CONTRACT NOT SIGNED

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Supply and Services and it concerns technical problems relating to the long-term financing of the long-range patrol aircraft. Is it true that after eight years of study and two years in the final definition stage at a cost of $11 million, the contract has been in the hands of the government since September last, and the president of Lockheed came to Canada for the formal signing in January before anyone noticed that the Canadian government was to pay to Lockheed some $100 million in front-end or progress payments?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we are now studying the problem of long term financing. The Minister of National Defence is taking a very close look at it and I would not like, for the time being, to disclose anything which might harm the negotiations. This is why I am requesting the hon. member to be patient. I think that within a few days the Minister of National Defence and I will be able to say exactly what has been the fate of this contract.

[*English*]

Mr. McKinnon: Patience is a great Canadian virtue, Mr. Speaker. I should like to know whether it is true that the Canadian government almost unbelievably assumed that

Lockheed would provide the so-called long-term financing and did not have the required funds available itself—that it came as a shock to the Canadian government that it was expected to put up the money, and that for the last six weeks it has been looking for the funds?

[*Translation*]

Mr. Goyer: Mr. Speaker, of course the hon. member has the right to make his comments but I shall stick to what I said in the first part of my reply.

* * *

[*English*]

IMMIGRATION

ALLEGATION PROVINCES NOT IN AGREEMENT ON NATIONAL POPULATION GOALS—POSSIBILITY OF POLICY STATEMENT PRIOR TO AMENDMENT OF ACT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Acting Prime Minister consequent upon a speech made by the Minister of Manpower to the Toronto Sales Club when he was discussing the subject of national population growth. In connection with a national demographic agreement, including national population goals, have the provinces and territories indicated that they are not prepared to assist in the drafting of such an agreement and, if so, is it the intention of the government to introduce a form of policy statement on national population goals prior to the introduction of amendments to the Immigration Act?

Hon. C. M. Drury (Acting Prime Minister): I would be glad to discuss that question with the Minister of Manpower when he recovers the full use of his health.

Mr. Stanfield: You mean the full use of his faculties.

Mr. Alexander: I do hope the Acting Prime Minister will be forceful in that regard in terms of indicating to the minister that it is necessary to have this policy prior to the introduction of amendments to the Immigration Act.

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HOUSING

GOVERNMENT POLICIES TO AID POPULATION SHIFT FROM MAJOR CITIES TO SMALLER TOWNS

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the minister responsible for housing, who is involved in the discussion with the Minister of National Health and Welfare. In that same speech in Toronto—perhaps the minister did not hear me—the Minister of Manpower made some reference to national population goals and said it was necessary that government do more to encourage a population shift from major cities to small towns, adding: "in my view this affects transportation, education, housing, communication and social services". Could the minister advise me whether he will be introducing any policies more successful than those he has introduced in the past concerning housing which would allow such a shift from major cities to smaller towns? Is he thinking in this regard or is he still up in the air?

apply to any country in the same way. When a government has effective control of the country, we will of course establish immediate official relations with them.

* * *

● (1140)

[*English*]

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Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we are now studying the problem of long term financing. The Minister of National Defence is taking a very close look at it and I would not like, for the time being, to disclose anything which might harm the negotiations. This is why I am requesting the hon. member to be patient. I think that within a few days the Minister of National Defence and I will be able to say exactly what has been the fate of this contract.

[*English*]

Mr. McKinnon: Patience is a great Canadian virtue, Mr. Speaker. I should like to know whether it is true that the Canadian government almost unbelievably assumed that Lockheed would provide the so-called long-term financing and did not have the required funds available itself—that it came as a shock to the Canadian government that it was expected to put up the money, and that for the last six weeks it has been looking for the funds?

[*Translation*]

Mr. Goyer: Mr. Speaker, of course the hon. member has the right to make his comments but I shall stick to what I said in the first part of my reply.

* * *

[*English*]

IMMIGRATION

ALLEGATION PROVINCES NOT IN AGREEMENT ON NATIONAL POPULATION GOALS—POSSIBILITY OF POLICY STATEMENT PRIOR TO AMENDMENT OF ACT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Acting Prime Minister consequent upon a speech made by the Minister of Manpower to the Toronto Sales Club when he was discussing the subject of national population growth. In connection with a national demographic agreement, including national population goals, have the provinces and territories indicated that they are not prepared to assist in the drafting of such an agreement and, if so, is it the intention of the government to introduce a form of policy statement on national population goals prior to the introduction of amendments to the Immigration Act?

Hon. C. M. Drury (Acting Prime Minister): I would be glad to discuss that question with the Minister of Manpower when he recovers the full use of his health.

Mr. Stanfield: You mean the full use of his faculties.

Mr. Alexander: I do hope the Acting Prime Minister will be forceful in that regard in terms of indicating to the minister that it is necessary to have this policy prior to the introduction of amendments to the Immigration Act.

* * *

HOUSING

GOVERNMENT POLICIES TO AID POPULATION SHIFT FROM MAJOR CITIES TO SMALLER TOWNS

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the minister responsible for housing, who is involved in the discussion with the Minister of National Health and Welfare. In that same speech in Toronto—perhaps the minister did not hear me—the Minister of Manpower made some reference to national population goals and said it was necessary that government do more to encourage a population shift from major cities to small towns, adding: "in my view this affects transportation, education, housing, communication and social services". Could the minister advise me whether he will be introducing any policies more successful than those he has introduced in the past concerning housing which would allow such a shift from major cities to smaller towns? Is he thinking in this regard or is he still up in the air?

Hon. Barney Danson (Minister of State for Urban Affairs): I realize that our targets and accomplishments are high and that they may appear up in the air to the hon. gentleman, but we have been able to reach them on each occasion and I hope we continue to enjoy the same degree of success.

As to the specific question asked, we are not, of course, attempting to judge where people should live—that is a free choice to be made in this country—but we do work at making practical alternatives available. The specific example I can give the hon. member is the $100 million commuter-rail program designed for new commuter projects which allow for decentralization so that people can live away from the major centres and yet have relatively easy access.

I could refer, also, to our housing programs, and I would be delighted to give the hon. member some details on these, but I am sure you would cut me off, Mr. Speaker. They are intended to provide an effective alternative of a family home for those who are prepared to live outside the larger cities. Present programs also recognize the difficulty young families experience in finding single family homes in major cities. We are making it possible for them to find attractive housing in more concentrated form—

Some hon. Members: Order.

Mr. Danson: —in the major cities. This leaves, as a further alternative, the possibility of moving out from areas of major concentration.

* * *

ANTI-INFLATION ADMINISTRATOR

INQUIRY AS TO DECISION IN IRVING PULP AND PAPER CASE

Mr. Joe Flynn (Kitchener): Mr. Speaker, my question is for the Minister of National Revenue. Would he please tell us whether the administrator has made a decision in the Irving pulp and paper case.

Hon. Jack Cullen (Minister of National Revenue): I thank the hon. member for letting me know he intended to ask this question. I have received a report which I shall be tabling at the appropriate time under Standing Order 41(2). The administrator has, in fact, found Irving Pulp and Paper in contravention of the anti-inflation guidelines and has ordered the company to make payments totalling $125,000 to the Crown and set the per cent increase at 14. I might say that $100,000 represents a portion of the payment and $25,000 is a penalty for having knowingly contravened the guidelines.

* * *

FINANCE

ALLEGATION BANKS REFUSING FARM IMPROVEMENT LOANS—GOVERNMENT ACTION

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Finance. It has recently been brought to my attention that some of the banks in Canada have been refusing farm improvement loans to

farmers who are eligible for those loans. I should like to ask the minister whether this legislation is still on the books and whether the banks are supposed to adhere to it. The same thing happened about a year and a half ago and at that time, the hon. gentleman's predecessor made a statement in the House which improved the situation.

Hon. Donald S. Macdonald (Minister of Finance): I thank the hon. gentleman for bringing this matter to my attention. I would be glad to inquire further into it and if he has any specific examples which would assist me in this regard, I would be glad to hear about them.

Mr. McKinley: That is not really answering my question. Are the banks supposed to adhere to this legislation or not?

Mr. Macdonald (Rosedale): The banks are supposed to adhere to all the legislation passed by parliament which refers to them. As to the specific question asked, the banks are not obliged to make a loan to anyone, irrespective of the quality of the risk. There is an element of judgment involved. As I said to the hon. member, if he has examples in mind I would be glad to have details and to pursue the matter.

* * *

[*Translation*]

NATIONAL PARKS

SAGUENAY—CONSULTATIONS WITH QUEBEC CONCERNING ESTABLISHMENT

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the President of the Treasury Board. Considering the minister's special interest in opening national parks in Quebec, would the minister tell the House if the federal government still intends to make arrangements with Quebec for establishing Saguenay Park?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the federal government's position has not changed in four years. We would be very pleased to have a national park on Saguenay fjord and to include it among the most popular national parks in Canada.

* * *

[*English*]

FINANCE

REQUEST FOR REPORT ON AVAILABILITY OF SMALL BUSINESS LOANS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Finance if I may get his attention. While he is checking into the farm improvement loan situation will he also look into the availability or otherwise of small business loans which are also government guaranteed loans?

Hon. Donald S. Macdonald (Minister of Finance): I would be glad to do so, Mr. Speaker.

HEALTH

EVIDENCE OF MERCURY POISONING AMONG INDIANS IN QUEBEC—GOVERNMENT ACTION TO PROVIDE ALTERNATE SOURCE OF PROTEIN

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare and it concerns his responsibility for the health of the native people of Canada. A report issued by Dr. Barbeau of the provincial health department in Quebec states that out of 48 Cree Indians examined 20 have signs of Minimata disease and three are confirmed as having brain damage. Since the main source of protein in that area, as it was in Grassy Narrows, is fish, and since the summer season for these people is approaching, what plans has the government made with regard to providing alternate protein sources for these people? Are we going to say again, "don't eat fish"?

● (1150)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all, Dr. Barbeau is not a civil servant of the provincial government, but an eminent doctor practising in a Montreal hospital. About the question relating to the protein and the food taken by the Indians concerned, we are in very close consultation with the provincial government in an attempt to correct the situation and plans are under review on this matter. As the hon. member knows, the mercury contamination in this area seems to stem from natural elements. It is an exceptional situation. Comprehensive measures therefore will have to be taken throughout the whole region.

[*English*]

MERCURY POISONING AMONG INDIANS—SUGGESTED MASSIVE EXAMINATION OF NATIVES TO IDENTIFY VICTIMS

Mr. Stuart Leggatt (New Westminster): A supplementary question, Mr. Speaker. That "exceptional situation" appears to be arising all across the country. The National Indian Brotherhood have identified vast areas where there is potential Minamata disease. In view of the fact that there have only been 48 examinations in this particular area of complaints, would the minister's department make some kind of massive examination of those people who are now living in areas which appear to be contaminated? In other words, when are we going to start doing something to prevent an epidemic of mercury poisoning in Canada?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would not want the hon. member to spread panic among the people concerned. In each area involved, doctors regularly perform intensive tests. We have asked for the cooperation of the population everywhere there seems to be problems. Most of the times, we are dealing with a nomadic population which is hard to get in touch with, but all possible efforts are made, with the cooperation of the provincial governments, to contact the Indians concerned. All I can say to the hon. member is that we are trying our best to trace as soon as possible everyone likely to carry this disease in order to take the measures to prevent the recurrence of such situations.

* * *

[*English*]

COMMUNICATIONS

REQUEST FOR IMPROVEMENT IN TELEPHONE SYSTEM

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of Communications. In view of the fact that on two occasions my office tried to reach my constituency but in fact reached Sydney, Australia, would the minister not agree that it would be cheaper to buy new equipment? If not, could she at least give us touch tone dialing so that we could get to Australia sooner?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I suffer from the same problem as the hon. member. You may be sure that I am doing all I can to get these people to get our phones to work.

* * *

HOUSING

ASSISTED HOME OWNERSHIP PLAN—REQUEST FOR REBATE OF SUBSIDY IN VIEW OF DELAY IN REGISTRATION OF HOMES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct my question to the Minister of State for Urban Affairs, and let us hope that it will be short and sweet on this Friday the thirteenth. On February 6, I asked the minister whether he would look into the suggestion that a rebate of subsidy, given in view of the delay of registration of homes under the AHOP program, be looked into immediately. Has the minister had an opportunity to look into the situation and can he report to the House at this time?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am looking into the situation. I had hoped to have an answer today for the hon. member but it did not reach me in time for the question period. I am following up the matter, and I hope that I will have an answer for him on Monday.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGATION TWELVE FORMER HONG KONG POLICEMEN SUSPECTED OF CORRUPTION RESIDING IN CANADA—REQUEST FOR REPORT

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, may I direct my question to the Solicitor General. Has the Solicitor General knowledge of a report sent to the Minister of Justice in his capacity as member for Vancouver Centre, as well as to myself, that about 12 former Hong Kong policemen who fled Hong Kong in the face of an investigation by the independent commission against corruption have obtained official permission to enter Canada and are presently living in the Vancouver area? If the Solicitor General has not, would he consult with his colleagues the Minister

of Justice and the Minister of Manpower and Immigration to ensure that a dangerous situation is not allowed to develop?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have not heard of such a report, but I will be pleased to consult with the Minister of Justice and the RCMP about it.

* * *

[*Translation*]

OLYMPIC GAMES

GOVERNMENT INTENTIONS CONCERNING FINANCING

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the President of the Treasury Board, in the absence of the Prime Minister.

Last week, the hon. member for Maisonneuve-Rosemont suggested publicly an apparently painless way for Ottawa to redistribute the tax receipt surpluses generated by the Olympic Games and claimed by Quebec. At the same time the Minister of Communications stated that the federal government had already done enough and should not—as Mr. Bourassa claims—again pay part of the costs and deficits. Is the minister today in a position in the public interest to say to this House which of the two statements is closer to the position of the federal government?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the position of the government is well known; we contributed substantially to the self-financing of the games by passing legislation with respect to the lottery, the stamps and the coins, and in addition we made commitments for the broadcasting of the games and their security. That is the contribution of the federal government—a very substantial contribution—and that is the policy of the federal government.

Mr. La Salle: Mr. Speaker, I have a supplementary.

In view of the statement made by the minister, can he say to the House whether the statement by the Minister of Communications represents the position of the government?

Mr. Chrétien: Mr. Speaker, I listened to the minister on television and I think she put the position of the federal government very well when she said that the contributions of the federal government are well known and will remain what they are.

* * *

[*English*]

ENERGY

MACKENZIE VALLEY PIPELINE—REQUEST FOR ASSURANCE NO LEGISLATIVE ACTION UNTIL ENERGY BOARD AND BERGER COMMISSION HEARINGS COMPLETED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and arises out of press reports that the government has refused to rule out the possibility of legislative action for the construction of the Mackenzie valley pipeline in the event that the hearings of the National Energy Board are further adjourned. I want to ask the minister whether he can give this House categorical assurance that there will be no legislative action taken by the government for the construction of the Mackenzie valley pipeline until the National Energy Board and the Berger hearings have been completed, the reports have been received by the government and considered by this House?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think it has been made very clear in the past that we intend the regulatory process, the NEB hearings and the Berger hearings to be completed before any action is taken.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. I know that has been the stated policy of the government, but in view of press reports that the government has refused to rule out the possibility of legislative action, do I take the minister's statement today to be categorical assurance that no legislative action will be taken for the construction of the Mackenzie valley pipeline?

Mr. Gillespie: Mr. Speaker, the hon. member should take the minister's statement for what it is.

* * *

EXTERNAL AFFAIRS

REQUEST FOR DELAY OF VESTING IN CANADA OF THOUSAND ISLANDS BRIDGE

Mr. Tom Cossitt (Leeds): Mr. Speaker, I should like to direct my question to the Acting Prime Minister or, if he is unaware of the subject, to the Parliamentary Secretary to the Secretary of State for External Affairs. Would the government agree to halt the attempted seizure as of March 1 of the Thousand Islands International Bridge in view of the fact that existing statutes provide that it belongs as of that date to the province of Ontario, or as may be otherwise directed by the province of Ontario by order in council, since such order in council has never been passed? If the federal government does intend to proceed, would they agree to pay the province of Ontario at least $25 million compensation?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, at this point in time wisdom tells me to take notice of this question and to pass it on to my minister.

* * *

ENVIRONMENTAL AFFAIRS

SIGNING OF OKANAGAN WATER BASIN AGREEMENT—GOVERNMENT ACTION TO IMPLEMENT

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of the Environment. As the delicate environment of Canada is becoming more and more important, and since the minister signed this week

the Okanagan water basin agreement in my riding, I would ask the minister whether he is going to back up this signing with money and resources to bring this to a successful conclusion, and whether in fact he is serious about this agreement.

Hon. Jean Marchand (Minister of the Environment): I am very serious, Mr. Speaker.

* * *

HARBOURS

VANCOUVER—REASON FOR INCREASE IN WATER LOT LEASE RATES

Mr. Ron Huntington (Capilano): Mr. Speaker, in the absence of the Minister of Transport, I should like to direct my question to the Acting Prime Minister. As the port of Vancouver provides well over 50 per cent of the total revenues earned by the National Harbours Board, can the Acting Prime Minister give the House the rationale behind the 92 per cent increase in water lot lease rates in the port and harbour of Vancouver?

● (1200)

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, I am not sure I should like to attempt to give the rationale in answer to a question during this period. However, the fact that Vancouver has a very successful economic record of port operations does not mean that the basic rental and operational rates should not be brought up to date.

Mr. Huntington: Mr. Speaker, would the Acting Prime Minister assure the House tht the cost benefit studies behind the very high percentage increase in tariffs being imposed by the Minister of Transport to overcome "deficits" do not include such unrelated items as the St. Lawrence Seaway deficit, the port deficits at Halifax, Montreal and Quebec City, the capital losses at Pickering and the champagne, caviar, tear gas party at Mirabel?

* * *

HEALTH

WATER QUALITY STUDY—ADEQUACY OF TERMS OF REFERENCE

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In the minister's recently announced study of the quality of water in Canada, are the terms of reference and investigation broad enough to determine the presence of elements such as mercury, arsenic and asbestos as well as potential radiation contamination?

Hon. Marc Lalonde (Minister of National Health and Welfare): Yes, Mr. Speaker.

REGIONAL ECONOMIC EXPANSION

CROCUS FOODS—POSITION OF MANITOBA WITH REGARD TO GRANT

Mr. Dean Whiteway (Selkirk): Mr. Speaker, in view of the fact it has been some two months since the offer was made by DREE in respect of Crocus Foods in Manitoba, surely the Minister of Regional Economic Expansion must have some indication now as to the position taken by the province of Manitoba regarding that DREE grant.

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, indeed it was two months ago that an offer was made to that Manitoba corporation known as Crocus Foods and we are still waiting for that business to inform us of its decision. Of course. after an offer is made the business must consider it in terms of its project and analyze all its implications. I presume that is what they are doing now and it should not be long before they contact us to tell us about their decision.

[*English*]

Mr. Blais: Mr. Speaker, I rise on a point of order with reference to both a motion under Standing Order 43 and a question asked during the question period by the hon. member for Leeds. I simply wish to call the attention of the House and the hon. member to Bill C-82 standing on the order paper which offers a complete explanation to both the point raised in the motion under Standing Order 43 and the question raised by the hon. member for Leeds.

Mr. Cossitt: Mr. Speaker, I must confess that I missed the first few remarks of the hon. parliamentary secretary, but I gathered he was referring to Bill C-82 in respect of the subject of the Thousand Islands bridge and suggesting that in fact it answers the motion under Standing Order 43 and the question I raised.

With all due respect, I must say that—I am sure unintentionally—the parliamentary secretary is misleading the House because the bill is the reason I asked the question and raised the subject in the first place. It most certainly does not answer the question. The province of Ontario has not passed an order in council; therefore, the act being proceeded with is not in accordance with the Statutes of Canada. I feel I am quite in order in asking these questions, in view of the fact that the province and the people of Ontario are further being milked by this government of $25 million in assets which rightfully belong to them as of March 1, or as they may otherwise direct. May I say that they have not otherwise directed.

The only thing in existence is a letter from the Premier of Ontario to the Prime Minister of Canada saying that Ontario is not interested in getting into the bridge business and suggesting further consultation. I believe that is exactly where the matter stands. Therefore, the information being given to the House at this time is not entirely correct and I would ask the government to provide the House with a proper answer to the question I raised.

Energy

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

TABLING OF REPORT ON WARRANTS ISSUED UNDER OFFICIAL SECRETS ACT

Hon. Warren Allmand (Solicitor General): Mr. Speaker, in accordance with Standing Order 41(2), I wish to table two copies, in both official languages, of a report relating to warrants issued under the Officials Secrets Act for the period January 1, 1975, to December 31, 1975, pursuant to section 16(5) of the said act as amended by chapter 30, Statutes of Canada 1973-74.

TABLING OF REPORT ON AUTHORIZATIONS AND INTERCEPTIONS UNDER CRIMINAL CODE

Hon. Warren Allmand (Solicitor General): In addition, Mr. Speaker, I wish to table two copies, in both official languages, of a report relating to authorizations and interceptions under the Criminal Code for the period January 1, 1975, to December 31, 1975, pursuant to section 178.22 of the said Code as amended by chapter 50, Statutes of Canada 1973-74.

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ANTI-INFLATION ADMINISTRATION

TABLING OF REPORT REGARDING REFERENCE ON IRVING PULP AND PAPER AGREEMENT

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table in the House two copies, in both official languages, of the report of the administrator regarding the reference on the Irving Pulp and Paper agreement.

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[*Translation*]

ENERGY

TABLING OF GUIDELINES ON OIL AND GAS EXPLORATION RIGHTS

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table, in both official languages, the guidelines concerning acquisition of interests in oil and gas exploration rights. Those guidelines are tabled in accordance with the provisions of Foreign Investment Review Act section 4(2).

[Mr. Cossitt.]

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. Baldwin: Mr. Speaker, I rise on a point of order with regard to this motion. In light of the great enthusiasm shown by hon. members of the House, including those on the government side, for the principle of more open government which led yesterday to the passage of a motion in the name of the hon. member for Halifax-East Hants, it might well be that this could be deemed to be merged with that motion and this motion could be withdrawn. The hon. member for Halifax-East Hants has indicated that he would be prepared to have this motion withdrawn.

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 3,232, 3,691, 3,700, 3,932.

[*Text*]

SMALL BUSINESSES LOANS ACT—LOANS TO PROVINCES

Question No. 3,232—**Mr. Clark (Rocky Mountain):**

1. Under the Small Businesses Loans Act or prior legislation for each year 1970 to date, by province, how many loans were (a) applied for (b) granted and what was their total value?

2. For the same years, by province, how many loans were granted in communities with a population of (a) 500,000 or more (b) 100,000 to 500,000 (c) 50,000 to 100,000 (d) 10,000 to 50,000 (e) 5,000 to 10,000 (f) under 5,000?

3. What was the total (a) value (b) number of loans made by each banking institution eligible to take advantage of the legislation?

Hon. Donald S. Macdonald (Minister of Finance): 1. (a) Application for a loan under this plan is made to a chartered bank or other designated lender. The number of applications made to these institutions is not reported to the Department.

(b) Year	No.	$(000)
1970	1367	13,772
1971	2129	22,269
1972	2846	28,328
1973	3076	31,644
1974	2820	32,383
1975 (to Sept. 30)	3161	46,528

2. Data is not maintained by size of community.

BANK	1970		1971		1972		1973		1974	
	No.	$(000)	No.	$(000)	No.	$(000)	No.	$(000)	No.	$(000)
Bank of Montreal	1132	1212	322	2880	433	3407	425	3817	362	3389
Bank of Nova Scotia	110	932	157	1534	134	1449	213	1792	260	3181
Royal Bank of Canada	625	5447	743	6742	952	8303	1171	11144	1455	16387
Toronto-Dominion Bank	97	1120	163	1770	181	1834	234	2415	360	4377
Canadian National Bank	169	2441	382	4902	741	8732	652	7744	97	1200
Provincial Bank	17	230	33	443	41	516	121	1752	124	1915
Can. Imp. Bk. of Commerce	213	2371	319	3919	358	4038	254	2902	155	1857
Bank of British Columbia	4	18	8	41	4	27	1	17	2	43
Mercantile Bank	—	—	—	—	1	10	—	—	—	—
Credit Unions	—	—	2	36	1	13	5	62	5	34
Total	1367	13772	2129	22269	2846	28328	3076	31644	2820	32383

MEETING OF PACIFIC REGION PENITENTIARY SERVICE AT HARRISON HOT SPRINGS HOTEL

Question No. 3,691—**Mr. Reynolds:**

Was there a meeting or meetings held at the Harrison Hot Springs Hotel in November, 1975 by officials of the Pacific Region of the Penitentiary Service and, if so (a) who was in attendance (b) what was the purpose (c) what were the costs?

Hon. Warren Allmand (Solicitor General): A meeting was held at the Harrison Hot Springs Hotel on November 25 and 26, 1975 by officials of the Pacific Region of the Penitentiary Service. (a) ten senior officers of the Pacific Region of the Penitentiary Service, one officer of the RCMP and one officer of the New Westminster Police Force were in attendance. (b) The purpose of the meeting was to review the hostage-taking incident which took place at the British Columbia Penitentiary last summer in order to develop policy and procedures in the handling of possible recurrences of such incident. Among the matters discussed were the composition, role and training of negotiating teams and tactical response teams; the determination of operational procedures as well as administrative procedures to operate crisis centres, media relation centres and the provision of information to media and families of the personnel involved. (c) The total cost of this conference is estimated at $1,150.

REPAYMENT FOR FLOOD DAMAGES

Question No. 3,700—**Mr. Roy (Laval):**

1. During the fiscal years 1970 to 1974, what was the total amount claimed in repayment for damages caused by flooding in the (a) Province of Quebec (b) Constituency of Laval (c) City of Laval?

2. Of the total amount claimed in the Constituency of Laval and the City of Laval, what was the amount of money and the number of claims accepted for reimbursement under the federal-provincial agreement for (a) individuals (b) the provincial government (c) municipal governments (d) school boards (e) businesses or industries (f) others?

3. Of the total amount accepted for payment in the Province of Quebec, what amount will be provided by (a) government (b) provincial government?

Hon. Donald S. Macdonald (Minister of Finance): 1. (a) During the fiscal years 1970 to 1974 only the 1974 spring floods in Quebec were of a magnitude sufficient to warrant federal assistance. The federal government offered to share with the province the cost of relief and reconstruction in accordance with the established formula and guidelines. The disaster assistance program established by the province has now been completed and the province is in the process of preparing an official claim for payment of the federal share of costs. The claim has not yet been received but is expected shortly. (b) and (c) The province has not submitted a detailed statement of account showing the amounts expended on a regional basis. It is expected however that this information will be obtained in the course of the audit.

2 and 3. See above.

CANADA WORLD YOUTH PROGRAM

Question No. 3,932—**Mr. Matte:**

1. Has the government allotted money to the Canada World Youth Programme since its inception and, if so, in what amount?

2. How many Canadians were accepted under the programme?

3. What remuneration is received by young Canadians in foreign countries?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): In so far as the Canadian International Development Agency is concerned, the answer is as follows: 1. See answer to Question No. 3,351.

2. 1974-75, 318; 1975-76, 318.

3. When in foreign countries CWY participants receive room and board, plus a daily allowance equivalent to one dollar purchasing power in Canada.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 3,485 could be made an order for return, this return would be tabled immediately.

Order Paper Questions

[*Translation*]

Mr. Speaker, if questions Nos. 3,280, 3,281, 3,282, 3,321, 3,340, 3,349 and 3,350 could be made orders for return, those returns would be tabled immediately. I also ask for the consent of the House to table immediately the information which have already been delivered to us. The other information will be tabled in both official language as soon as I get them.

[*English*]

Mr. Speaker: Subject to the conditions expressed by the hon. parliamentary secretary, is it the pleasure of the House that the questions enumerated are deemed to have been answered?

Some hon. Members: Agreed.

Mr. Blais: Mr. Speaker, I would ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[*Text*]

NEW FURNISHINGS FOR CABINET MINISTERS' OFFICES

Question No. 3,280—**Mr. Coates:**

How many members of the present Cabinet have had office renovations and new furnishings for either their House of Commons office or their departmental office in the past two years and, in each case, what was the cost of the (a) renovation (b) new furnishings provided on a per item basis?

Return tabled.

RENOVATIONS OF DEPUTY MINISTERS' OFFICES

Question No. 3,281—**Mr. Coates:**

1. How many of the present Deputy Ministers have had office renovations carried out in the past two years and, in each case, how long (a) after they assumed their positions did they have the renovations carried out (b) prior to the start of renovation had renovations previously been carried out?

2. In each case (a) what was the cost of the renovations (b) what did it involve (c) if not completed, what is the estimated cost on completion (d) what was the cost of refurnishing the offices?

3. (a) What was the cost of refurnishing the offices in cases where they were not renovated (b) what was the cost of each item?

Return tabled.

RENOVATIONS OF ASSISTANT DEPUTY MINISTERS' OFFICES

Question No. 3,282—**Mr. Coates:**

1. How many of the present Assistant Deputy Ministers have had office renovations carried out in the past two years and, in each case, how long (a) after they assumed their positions did they have the renovations carried out (b) prior to the start of renovation had renovations previously been carried out?

2. In each case (a) what was the cost of the renovations (b) what did it involve (c) if not completed, what is the estimated cost on completion (d) what was the cost of refurnishing the offices?

3. (a) What was the cost of refurnishing the offices in cases where they were not renovated (b) what was the cost of each item?

Return tabled.

CONTRACTS AWARDED CANUS EQUIPMENT LTD. AND CADILLAC PLASTICS

Question No. 3,321—**Mr. Cossitt:**

1. What are the details of government contracts awarded since April 20, 1968 to (a) Canus Equipment Ltd. (b) Cadillac Plastics including, in each case (i) amount of contract (ii) date awarded (iii) purpose (iv) location of work done?

2. In each case, were tenders called and (a) if not, for what reason (b) if so, what are the (i) names of all those who tendered (ii) amount of each tender?

Return tabled.

PERSONNEL OF CROWN CORPORATIONS

Question No. 3,340—**Mr. Coates:**

1. What is the total of (a) permanent and full-time employees (b) non-permanent but full-time employees (c) casual or seasonal employees by all Crown corporations?

2. Of the total number of employees in all categories, how many are (a) unilingual English (b) unilingual French (c) bilingual?

Return tabled.

STAFF OF PRIME MINISTER, CABINET MINISTERS AND PARLIAMENTARY SECRETARIES

Question No. 3,348—**Mr. Coates:**

1. What are the (a) names (b) positions (c) responsibilities (d) salaries of the personal staff of (i) the Prime Minister (ii) each Cabinet Minister (iii) each Parliamentary Secretary?

2. What limits are placed upon the hiring of staff by (a) the Prime Minister (b) Cabinet Ministers (c) Parliamentary Secretaries?

Return tabled.

CROWN CORPORATIONS PERSONNEL IN RECEIPT OF SALARIES IN EXCESS OF $30,000

Question No. 3,349—**Mr. Coates:**

How many persons are under contract to Crown corporations who are in receipt of a salary and expenses of $30,000 per year or more and, in each case (a) what is the actual amount of the contract (b) for what period (c) what are their specific responsibilities and what is their mother tongue?

Return tabled.

DEPARTMENTAL PERSONNEL IN RECEIPT OF $30,000

Question No. 3,350—**Mr. Coates:**

1. (a) How many persons have been retained by each department who are in receipt of $30,000 or more in salary and expenses (b) what are their names (c) what is their mother tongue (d) what special services are they performing (e) what is the actual amount they are receiving?

2. In each case, for what period of time does their contract run?

Return tabled.

RETENTION OF LAWYERS IN SASKATCHEWAN BY GOVERNMENT OR CROWN CORPORATIONS

Question No. 3,485—**Mr. Hnatyshyn:**

1. What were the names of all lawyers used in the Province of Saskatchewan by the government or any Crown corporation in (a) 1974 (b) the first six months of 1975?

2. In each case, what were the amounts of fees paid to each?

3. In each case, did any lawyer or firm receive fees exceeding $5,000 and, if so, what were the names of such lawyers or firms and the amount of fees paid to each?

Return tabled.

* * *

BUSINESS OF THE HOUSE

Mr. Blais: Mr. Speaker, for the purpose of informing the House, it is the government's intention to proceed with Bill C-58, and if that bill should be completed, all the votes will be deferred until Monday, I would suggest at eight o'clock in the evening. We would then proceed to Bill C-68, which is the medicare act.

Mr. Baldwin: That is perfectly all right, Mr. Speaker. However, in light of the very interesting exchange which took place a little while ago between the hon. parliamentary secretary and the hon. member for Leeds, the hon. member might like to have Bill C-82 introduced and we could then see what sort of legal argument he is able to make.

Mr. Blais: Mr. Speaker, if we dealt with Bill C-82, the facts would come to light and we would destroy all the publicity the hon. member for Leeds might have gained.

Mr. Baldwin: Why don't you do it, then?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the statements made by the Parliamentary Secretary to the President of the Privy Council do follow from our discussions, but it seems to me there is one point that was not made clear and which perhaps should be explained. When the parliamentary secretary suggested that when the debate finishes today the votes would be deferred until Monday, should it not be clear that we cannot proceed with the discussion of motions Nos. 5 and 6 until there has been a vote on motion No. 4, both the amendment and the motion itself? In other words, we are not in a position simply to wind up the debate today and say we will take all the votes on Monday night. After there has been a vote on motion No. 4 we will still have motions Nos. 5 and 6 to deal with.

● (1210)

Mr. Blais: Mr. Speaker, that point ought to have been made clear and I thank the hon. gentleman for having done so.

Mr. Speaker: It may very well be that it ought to be made clear. However, it has not been. The fact is that it is not possible even to consider the procedural regularity of motion No. 5 unless and until the House has made a determination on motion No. 4. It may very well be, after our division on motion No. 4, that motion No. 5 cannot continue on the order paper. Therefore, the House will recall that when discussion on motion No. 4 was completed, discussion on motion No. 5 was deferred until that division can be taken, and motion No. 6 was stood.

The House could either go on, presumably, to discuss any outstanding motions which remain, or else go to some other business until such time as the House divides on motion No. 4, which I understand, and which I take it is agreed to by the House, will in any event not take place this day. In other words, if the discussion on the motions presently before the House concludes today, the House will defer any divisions until some time on Monday and then either go to motions other than Nos. 5 and 6 or to some other business. Is that agreed?

Mr. Blais: That is the understanding that has been reached between the parties, Mr. Speaker.

Mr. Cossitt: I rise on a point of order, Mr. Speaker, stemming from what the parliamentary secretary said just a moment ago.

Mr. Speaker: Order, please. In the interest of fairness, comments about the bill that were referred to by the parliamentary secretary were made by him by way of a non-point of order. I therefore permitted the hon. member for Leeds to make a lengthy rejoinder, in a sense of fair play. The non-point of order was not raised by the parliamentary secretary but by the House leader of the official opposition. I permitted a very brief comment by the parliamentary secretary. All of them were non-points of order, and I have no intention of letting it go on as a discussion between the parties about the merits of that particular piece of legislation. Orders of the day.

Mr. Cossitt: On a question of privilege, Mr. Speaker, may I say I did not rise on anything pertaining to the bill itself or anything said previously. I was rising in respect of a statement made by the parliamentary secretary that if he were to proceed with the introduction of this bill he would therefore be destroying the publicity that I, as the member for Leeds, was getting out of raising this matter. I think that is a completely ridiculous, uncalled-for an unwarranted statement. I have raised a matter of grave concern to thousands of my constituents and the people of Ontario who are being robbed by the government of approximately $25 million. To be told—

Mr. Speaker: Order, please. I thought I made it clear to the hon. member for Leeds that I allowed him to go quite considerably beyond the bounds of ordinary procedure in making a rather complex statement on what I thought was a rather full statement about the matter, on a non-point of order, and I think the matter ought to end there. Orders of the day.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Wednesday, February 11, consideration of Bill C-58, to amend the Income Tax Act, as

reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have an amendment to the bill, which I should like to present. Perhaps I might read it now. I move, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That motion No. 7 be amended by deleting the proposed subparagraph (c) and substituting therefor:

"(c) a written agreement entered into after the coming into force of this section with a Canadian subsidiary of a foreign broadcasting undertaking if the minister of the Department of National Revenue has approved a plan submitted by the said Canadian subsidiary providing for compensatory payment by such subsidiary by the allocation of funds to Canadian television program production, extension of Canadian television service, development of Canadian talent, or otherwise for the benefit of Canadian broadcasting:

The minister may require as a condition for entering into any such agreement that a percentage, to be stipulated by the minister, of the voting shares of such subsidiary be beneficially owned by Canadian citizens.

This subamendment is in response to a statement made by the hon. member for York West (Mr. Fleming) and is designed to eliminate his objections to the amendments recorded in respect of motion No. 7.

Mr. Speaker: Order, please. I take it that the seconder should be the hon. member for Huron-Middlesex (Mr. McKinley). Is it agreed, pursuant to the motion moved by the hon. member for Winnipeg South Centre (Mr. McKenzie), seconded by the hon. member for Huron-Middlesex, that motion No. 7 standing in the name of the hon. member for Surrey-White Rock (Mr. Friesen) be amended in accordance with the terms of the motion just read by the hon. member for Winnipeg South Centre?

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, this debate has been carried on for a number of hours. I should like to say at the outset that the debate in no way is meant to be critical of the Canadian broadcasting systems, the networks or any of the stations affiliated with the Canadian Broadcasting Association, or the television stations. I have noticed, from reading *Hansard*, that the Parliamentary Secretary to the Minister of Communications has made some statements regarding the statements I have made in relation to the situation involving KVOS-TV, Bellingham. I have pointed out that I am not only very pleased with the work BC-TV has done in Vancouver, but I wish it well and trust it will continue to do well.

I believe in the free enterprise system in a competitive market. I think BC-TV has prospered because it is in a competitive system and has good business management. The parliamentary secretary objected to the amendments I have submitted in order to protect the competitive system. He objects because he says this is an infringement of the legislation or, rather, an infringement and interlacing of tax legislation with the CRTC. As recorded at page 10849 of *Hansard*, the parliamentary secretary said:

Hon. members cannot argue out of both sides of their mouths. I hope hon. members will consider that when they talk about the situation in Detroit and Windsor. The hon. member for Surrey-White Rock went on to say that this is in effect a tax bill to update the Broadcasting Act. Of course nothing could be further from the fact of the matter. It is indeed for the very reason it is a tax bill that it means to give incentives to Canadians to operate in Canada, and to encourage Canadian businesses to deal with other Canadian businesses to which they interrelate. It is precisely for that reason we are presenting this action here in the form of a tax bill.

That is also precisely the reason why none of these amendments make any sense because if we accepted them we would be doing exactly what the hon. member tried to attack us for doing. If we took his amendments we would be saying, "OK, let us through a tax bill make a special exemption which would change the whole purport of the Broadcasting Act." Surely that is the fundamental reason why these amendments cannot be given serious consideration.

[Mr. Speaker.]

● (1220)

Actually, Mr. Speaker, all I am asking is that hon. members of the House recognize that while there must be a national broadcasting policy, surely, in the interest of fairness, there must also be consideration of regional differences. I think that if we want to talk about inconsistencies, we might well point to the other matters in Bill C-58 which is under discussion at this time.

It seems somewhat ludicrous for the parliamentary secretary to say that we cannot make these kinds of distinctions, when the government has made a very great distinction between the situation facing *Reader's Digest* and that facing *Time* magazine, when actually it has launched an attack on *Time* magazine and yet has been able to find a way to spare *Reader's Digest*. I compliment them on sparing *Reader's Digest* and I am happy to see that it will remain in operation in Canada. As others have said, let me say that *Reader's Digest* is certainly not yet out of the woods on this issue, because it is still faced with the vicissitudes and whims of the Minister of National Revenue (Mr. Cullen) when interpreting the regulations. He did not operate outside the Income Tax Act when he made the special provision for *Reader's Digest*.

That is simply all that we are asking for, the same kind of treatment for KVOS-TV, Bellingham. We are not denying the need for a national broadcasting policy, the need for sovereignty of broadcasting facilities within Canada and the need to have a licensing policy which deals with all the broadcasting facilities in Canada. That must be safeguarded by statute. But the government has already violated the statute by making special deals for one publishing company, operating outside the statute and by way of regulations. In a matter of two or three months it has changed its own interpretation of those very regulations which it says it will use as guidelines for the publishing industry.

Time and time again we heard the Secretary of State (Mr. Faulkner) state in committee that 80 per cent different was the rule which would apply to *Reader's Digest*. We believed him and we were all convinced, as the witnesses said in committee that under these regulations *Reader's Digest* could not continue to survive. Yet, what happened a few months later? Suddenly the Minister of National Revenue had a ray of light. He got an insight which he had not had before, and he admitted candidly in the House that as a result of discussions in committee and in private he realized that *Reader's Digest* could not function under the regulations as they had been interpreted.

That is exactly what we are saying about KVOS-TV, Bellingham, that under the present circumstances it would do a grave injustice to KVOS to operate within the statute as it is in its present form. If we want to talk about

inconsistencies, I would refer hon. members to *Hansard* of February 4, page 10641. I asked the minister:

> I wonder if the Secretary of State would not agree that if a writer is restricted by regulation as to how he can write, and the publisher is restricted by regulation as to what he can publish, it is not reasonable to suppose that there is a comparable restriction on the free flow of information?

The Secretary of State replied:

> If I understood the question, and I am not altogether sure I did, I think I would probably have to agree. But I do not see that that is relevant to Bill C-58 or to the debate.

Yet, just ten minutes previously, as recorded on page 10638 of *Hansard*, the minister said:

> Let me reiterate that the government is not seeking in any way to control the freedom of magazine publishers and editors. Nor do we want to impose our will upon the people of Canada and regulate their reading habits. Bill C-58 in no way impinges upon freedom of expression.

I would ask the Secretary of State to please be consistent in what he is saying. On one hand he says he does not want to impinge upon freedom of expression, and on the other he concedes that Bill C-58, if interpreted according to my question, would impinge upon freedom of expression. That, to me, is a blatant inconsistency. If the parliamentary secretary wanted to look for inconsistencies in this bill, let him look at the words of the Secretary of State.

I say, again, that we are asking to have freedom for people in southern British Columbia to enjoy the viewer selection that is theirs today without the injurious restrictions placed upon them by the prejudicial clauses in Bill C-58. The hon. member for New Westminster (Mr. Leggatt), in the debate on Wednesday, made what I think is a very helpful proposal. He suggested that where matters of broadcasting come into conflict with international relations, when broadcasting crosses the forty-ninth parallel from both sides and creates problems of international communication and tax problems, these matters should be referred to a commission which would adjudicate on them.

I think that is a helpful suggestion, and we have a precedent for this. The International Joint Commission, which has been operating for generations, sits down yearly—almost constantly nowadays—and brings together both sides in an area of dispute and conflict regarding water and fishing rights as they affect our international relations. Those of us from British Columbia are well aware of the IJC discussions recently concerning fishing rights in the gulf waters of British Columbia. There is no other way of handling these matters, because each country has vested interests in fishing rights for its own citizens and the problems of water, rivers, lakes, oceans, sharing coastlines and rivers, can be solved in no other way, with friendship being preserved, unless we have a joint commission adjudicating these matters.

I suggest to hon. members that that is a creative way of dealing with the conflict which we are facing today. I think the hon. member for New Westminster has come up with a creative proposal to get us out of the jam because, as all members of the House know, one of the leading executives of the lumber industry in B.C. this week met the Prime Minister (Mr. Trudeau) and told him of the concern that people in B.C. feel as a result of conflicts issuing from this kind of legislation. He told the Prime Minister that if Bill C-58 passes, the U.S. Congress will prepare retaliatory legislation. That is the kind of conflict we are facing, and the tragedy is that this conflict is completely unnecessary. Why should we fight with our best friend, when both sides can find a way of bringing the conflict into the open where it does not have to antagonize and where it can heal rather than create a rift? I commend the suggestion the hon. member for New Westminster made to us, and I suggest that government members present to their caucus the opportunity of resolving the differences which exist between Canada and the United States with regard to communications. That would take care of this and other problems facing Windsor and Toronto people as they watch upper New York stations and Detroit stations.

● (1230)

Certainly it would take care of the prejudicial situation existing in British Columbia. KVOS television is facing an impossible problem of having, if this legislation passes, to grade its production and having to create an inferior kind of production because of the loss of revenue it will face as a result of the legislation. There will also be a compounding of that problem if the deletion of commercials comes into effect. The combination of Bill C-58 and the policy of deletion of commercials would effectively wipe out another television outlet which brings enjoyment and pleasure to thousands of homes in the lower mainland of British Columbia.

I ask hon. members to consider this subamendment. Speaking specifically to the objections the parliamentary secretary raised about the amendments which I presented earlier, I wonder whether this subamendment does not meet his objections and eliminate them. I believe that hon. members on the government side could support this subamendment, give it speedy passage and so continue to provide for the people of British Columbia the kind of viewing they have enjoyed for a generation and want to continue to enjoy.

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, during the past few days we have heard a great deal from the opposition about the broadcasting side of Bill C-58. I wonder how much contact members of the opposition have had with Canadian broadcasters. During the speech of the hon. member for Surrey-White Rock (Mr. Friesen) I was beginning to wonder whether I was listening to a Canadian parliamentarian or a congressman or senator from the United States.

Some hon. Members: Hear, hear!

Mr. Douglas (Bruce-Grey): It is about time we became concerned about Canada and Canadian broadcasters to the extent that they deserve our concern. I happen to have spent 20 years in that business, and I am concerned and broadcasters are concerned with regard to what is happening over Bill C-58. What will happen to Bill C-58 and communications in the broadcasting industry in this country if the amendments which have been proposed by members of the opposition are allowed to come into effect? No matter how hon. members opposite describe it, they are asking us to allow an American broadcasting station to become a Canadian broadcasting station without receiving a licence; it is as simple as that.

Mr. Wenman: Have you been to Vancouver?

Mr. Douglas (Bruce-Grey): Yes, I have, and I have spoken to Canadian broadcasters in Toronto, Ontario, and in the rest of this country. I think it is about time hon. members opposite started doing the same. That is the whole point. I should like to deal primarily with some of the remarks made recently in the House by the hon. member for Fraser Valley West (Mr. Wenman) and the hon. member for Kootenay West (Mr. Brisco). I refer, first, to the following statements made by the hon. member for Fraser Valley West which are found at page 10852 of *Hansard*:

> Testimony given before the standing committee by the American television stations involved and by the Association of Canadian Advertisers made it abundantly clear that the enactment of this clause will not aid Canadian broadcasters, especially those most in need of additional advertising revenue.

I was there when the ACA presented its comments. They were very good comments, but they were comments I would expect from people who do not want to lose an advantage. If I were in their position, I would make the same comments. But what about broadcasters in Ontario? In Toronto, Global and City TV stated quite emphatically before the committee, as well as at other times, that there are advantages to third party stations. CHAN-CHEX in British Columbia and BC-TV stated quite emphatically that there would be advantages to third level broadcasters in British Columbia.

Let us consider why people advertise. The statement has been made that they buy advertising because of the size of the market. They buy advertising for many other reasons also. They buy advertising because the prices involved and the size of the market determine the price which will be charged. Let us consider an example. Have hon. members ever heard of the A. C. Nielsen report?

Mr. Friesen: Never heard of it.

Mr. Douglas (Bruce-Grey): It is about time you did. It is for September, 1975—the latest available, as a matter of fact. I shall refer to the average household from 4 p.m. to 11 p.m. Monday through Friday. By the way, this happens to be for the Toronto area, just so we cannot be accused of being regional, as hon. members on the backbenches of the Conservative party have been and so have made this debate into an entirely regional confrontation, east versus west, which I think is shameful. Let us talk about Canadian broadcasting and the Canadian industry. CFTO had a 20 per cent rating and WKBW, one of our American broadcasting stations, 14 per cent. There are three grouped together, Global, CBLT and CHCH, with 12 per cent. WBEN and WGR, our American friends, had 10 per cent of that rating.

Mr. Whittaker: What have you got in your area?

Mr. Douglas (Bruce-Grey): We have some pretty good Canadian broadcasters up there, if the hon. member must know. They are proud to be Canadian, want to stay Canadian and want to grow as Canadian, and passage of Bill C-58 will allow them to do so.

Mr. Wenman: How many people want to hear them?

Mr. Douglas (Bruce-Grey): There are quite a few people in our area who want to hear Canadian radio and television stations, and if the hon. member is submitting that Canadians do not want to hear their own Canadian stations, I think he should run for a seat in the United States Senate, because I am not too sure Canadians want to hear him say that.

Mr. Friesen: Mr. Speaker, on a point of order, I simply point out to the hon. member for Bruce-Grey (Mr. Douglas) that I began my remarks by complimenting the Canadian industry. I do appreciate it. The amendment is in no way prejudicing Canadian broadcasting, because all of us enjoy it.

Mr. Douglas (Bruce-Grey): I do not think that is really a point of order, but let us see if we are prejudicing Canadian broadcasting.

Mr. Whittaker: Mr. Speaker, on a point of order—

An hon. Member: You mean Americans are allowed to talk in this House?

Mr. Whittaker: The hon. member told us that in his constituency there is Canadian broadcasting. In my constituency of Okanagan Boundary, due to regulations of the CRTC, there are many stations which do not have Canadian broadcasting.

Some hon. Members: Order.

Mr. Deputy Speaker: Order, please. I ask the hon. member to resume his seat. He will have a chance to make a speech in due time after the hon. member who has the floor has finished. Points of order are supposed to be related to the conduct of hon. members and their right to speak, not to the content of speeches which hon. members make.

● (1240)

Mr. Douglas (Bruce-Grey): In a brief answer, Mr. Speaker, I hope the hon. member will look at the accelerated program that has been introduced in this House to allow places of 500 population or more to receive programming.

An hon. Member: Thirty years without in B.C.!

Mr. Deputy Speaker: Order, please. I hope hon. members will co-operate with the Chair and the House and allow the hon. member to complete his remarks. Other members had their chance to speak without being interrupted. If some hon. members are not interested in listening to the remarks, I would hope they would at least allow the Chair to hear what the hon. member is saying and follow the debate.

An hon. Member: Those fellows will not be here when the facts are out.

Mr. Douglas (Bruce-Grey): We were talking about the Nielsen survey which simply proves that if a buyer in the Toronto market wished to buy Global on two occasions, he would have a better audience rate and better receivership than if he bought WBEN. For that matter, if he bought two spots on City Television in Toronto, where there are plenty of openings, he would have a better showing than on either WBEN or WGR. It is worth commenting that on February

10 the hon. member for Kootenay West interrupted the speech of the Minister of Communications (Mrs. Sauvé) when he said he would like to ask the minister how she related the statement to the effect that KVOS was paying $76 million to the Department of National Revenue.

KVOS, a broadcasting station, paying $76 million to the Department of National Revenue? The $76 million is the total alleged contribution of Wometco to the Canadian economy. To be correct, the total income tax paid by Wometco was $5.4 million over the last ten years. That is quite a bit different from $76 million. KVOS itself has never claimed—and I must congratulate them on that—that it contributed $76 million. The contribution is the total alleged contribution of Wometco, the parent company of KVOS. That includes KVOS, BC-TV Ltd., Canawest Master Films, Canawest Film Productions Ltd., and Wometco, B.C., Limited. How do these all tie in with broadcasting? Let us find out.

Canawest Film Productions is not affected by this bill in any way because we are talking about a tax on advertisers. Wometco, B.C., Limited is the principal owner of a Coca-Cola bottling company. If that ties in with broadcasting in any way, I fail to see it. This leaves $19.7 million as the alleged contribution of KVOS. The board of the parent U.S. company has a subsidiary sales office in Vancouver and claims that it is the means by which Canadian advertising revenues flow to the United States, and nothing else. So I think we had better get a few points straight before we go any further, Mr. Speaker.

If hon. members opposite had bothered to check, they would have found out what is actually happening. I have checked with stations in Toronto and others across the country. Some advertising firms anticipate passage of this bill and have already started to place options for time on some of the smaller stations as a direct result of our discussions. Some $20 million has been taken by three American stations, two in Buffalo, and KVOS, Bellingham. That is a lot of money, Mr. Speaker.

The amendment is suggesting that KVOS should become a Canadian broadcasting station through this $2 million a year. I do not think anybody in this House or anywhere else would say one is a bad businessman if he can pay out two and take in seven. Ninety per cent of the income of KVOS comes from the Vancouver area. They pay 50 per cent of their tax to the United States and 50 per cent to the Canadian government. It seems to me that if a business was taking 90 per cent of the revenue out of the country, it would be expected to pay tax on 90 per cent and not 50 per cent of 90 per cent.

An hon. Member: How is that different from other companies?

Mr. Douglas (Bruce-Grey): It is different because this company comes under the regulations of the Broadcasting Act. I have talked with people from KVOS, and they are fine gentlemen. When asked if they would become a Canadian broadcasting company, however, they would not. No matter what we do and no matter how we discuss it in this House, that is the fact. The fact is that they want to become a Canadian broadcasting company without being Canadian.

An hon. Member: That's right.

An hon. Member: How can they?

Mr. Douglas (Bruce-Grey): They can apply for a licence and move to Canada.

An hon. Member: Tell us how.

Mr. Douglas (Bruce-Grey): In the same way that any other Canadian businessman can apply for a licence in any other part of this country and build and develop a business. It is the building and development of a business that this bill tries to protect. As hon. members may or may not know, the early years of development are the most important in any station, and in some instances the most disastrous.

We can look at City TV in Toronto and Global and see what has happened to them. It is the flow of capital that can be generated and brought back into Canada though the passage of Bill C-58 that will allow Canadian companies, whether in British Columbia, Nova Scotia, Newfoudland, or the smaller prairie settlements to give local broadcasting. Let us consider some of the money that is going to be spent in this country. They say they are going to give us $2 million a year, and that is great. But what is $2 million a year going to buy in new broadcasting facilities for British Columbia? There is the accelerated program which in five years will spend $50 million, or in seven years more than $50 million—about $10 million a year.

As a matter of interest, what does KVOS do now about providing news coverage for people in Vancouver? What does it spend on local programming to which the people of Vancouver have a right? They say they put $2 million some place in the broadcasting economy. It appears that one of the B.C. television stations, however—CHAN or CHEX—is spending $6 million to meet the Canadian content rules, the very rules that KVOS want to buy their way around. After six years of service they are going to give up $6 million a year and give us $2 million. It costs $11 million a year to operate.

An hon. Member: How much do they get back?

Mr. Douglas (Bruce-Grey): From whom? We have talked about that wonderful suggestion of $2 million. I wonder how many members opposite have discussed this problem with the broadcasters in their areas. I did; personally I contacted all the broadcasters in western Ontario.

● (1250)

Mr. Whittaker: Have you ever been to western Canada?

Mr. Douglas (Bruce-Grey): I talked to the B.C. people. Every one of these people, without exception—they are Canadian broadcasters—agreed totally with the broadcasting provisions of Bill C-58. They see the money they so desperately need for their programming going south of the border where it should not go.

Mr. Whittaker: There is not a B.C. member on the other side of the House right now.

Mr. Douglas (Bruce-Grey): There is not an Ontario member in the House, either, on the hon. member's side, I might note.

Mr. Whittaker: Where are you from?

Non-Canadian Publications

Mr. Douglas (Bruce-Grey): Statistics Canada presents some pertinent facts. The Statistics Canada report of August 31 deals with the after-tax income of private television stations in Canada. There are about 400 privately-owned Canadian television stations, not including CBC-owned stations. We shall also consider the income of three United States stations. Mr. Speaker, the after-tax revenue, or profit, last year of the 400 privately-owned Canadian television stations was $6.1 million.

Now I turn to a statement made by the authoritative U.S. company, Faulkner, Dawkins and Sullivan. According to the company, estimated net, after-tax income of the two Buffalo stations, WBEN and WGR, and KVOS, was $4.7 million. So here we have three United States stations making profits equivalent to two-thirds of the total profit of the Canadian industry. About 90 per cent of the KVOS profit comes from this country and about 30 per cent of the WBEN and WGR profit comes from this country. To me, as a Canadian, that makes no sense. Those three stations serve the Canadian public and take our profits. One of them was built primarily for that purpose. One of them makes 90 per cent of its profit from serving Canadians. Put together, the three stations I mentioned make a total profit equal to two-thirds of the entire profit made by the 400 privately-owned Canadian television stations which operate from coast to coast. Where do members of the opposition stand on this issue, or are they adopting their present position in the hope of becoming members of the U.S. Senate? Their arguments would be well received in that august body.

An hon. Member: What about an appointment to the Canadian Senate?

Mr. Douglas (Bruce-Grey): The hon. member has little hope of getting there even if he sits in this House for a long time. Let me now refer to something the hon. member for Kootenay West said on February 11 as reported on page 10863 of *Hansard*. He said that KVOS is a Canadian subsidiary and during the period 1964 to the present has contributed some $76 million to the revenues of Canada. I question that. If it contributed anything, it contributed about $5 million, not the $76 million mentioned by the hon. member. The hon. member referred to the Canadian Association of Broadcasters. The Canadian Association of Broadcasters happens to be exactly what its name suggests, Canadian. For that reason we should pay heed to what it says. It represents Canadian broadcasters and hopes Canadian broadcasts will stay Canadian. He suggested that United States cable companies distinguish against Canadian television signals. The hon. member referred to the CAB brief and to a statement made earlier by a member of the NDP.

An hon. Member: That was the hon. member for New Westminster (Mr. Leggatt).

Mr. Douglas (Bruce-Grey): Perhaps it would be best to quote part of the CAB brief. It is clear that CAB said they discriminate against distant signals. The association says, on page 5 of its brief:

> Cable TV operators in the United States are required by the FCC to protect local broadcasters in their communities by deleting whole programs, not just the commercials, from the signals of non-local stations brought in by cable.

[Mr. Whittaker.]

> The Canadian Radio-Television Commission provides for simultaneous substitution. If a Canadian local station is broadcasting a program and non-local stations (including foreign) broadcast the same program at the same time, the Canadian cable operator substitutes the Canadian local signal on all the cable channels with the same program. The FCC procedure provides for simultaneous and in some instances, non-simultaneous "blackout" on American cable systems to protect the local station.

It is clear that there is discrimination against distant signals, not Canadian signals. I bring that point to the attention of the House. All this was summed up by the chairman of the CRTC, who is Canadian, has always been Canadian and has always devoted his utmost in time and ability to what is good for this country.

An hon. Member: That is just romance.

Mr. Douglas (Bruce-Grey): It is not romance; it is fact. He said recently:

> We stand in Canada on the threshold of a flowering of our own cultural endeavours. After a continuing struggle our writers and artists are beginning to flourish. Music, books, painting, theatre—by and for Canadians—are beginning to emerge.
>
> Our broadcasting—radio, television and cable systems are beginning to emerge—and they must—and they will, if Canadians recognize that to protect our own against unfair, unwarranted and deleterious actions is a virtue and not a sign of weakness.
>
> There are those who say that our mandate to secure broadcasting as an integral part of Canadian life is chauvinistic. The original Sergeant Chauvin caused himself to be lowered into the grave by knotted tricolours—the flag of France.
>
> That may be a surprise to some who toss the expression around so freely. I say chauvinism is truly the property of an individual such as the good sergeant—but devotion to encouraging a healthy sense of being aware of the circumstances of the country of your choice and your inheritance is a natural and fulfilling role.
>
> It is the role I choose willingly—and if it be labelled nationalistic—then so be it. Four generations of ancestors nurtured and cherished in the soil of western Ontario has had its effect. I want my children and your children to be worthy members of the family of man—but to be so—they must be aware of where they come from. It is not something they will learn if our broadcasting and communications become only mechanical retransmissions of the history and values of those who choose America in place of Canada as a new home.

Mr. Knowles (Winnipeg North Centre): One o'clock.

Mr. Deputy Speaker: Order, please. Before calling it one o'clock, I must tell the hon. member that his time has expired. I allowed him three or four extra minutes to compensate for interruptions.

Mr. Friesen: Mr. Speaker, I wonder if the hon. member would accept a question after lunch.

Mr. Deputy Speaker: The House must give unanimous consent for the hon. member to reply, as his time has expired. Or does the House consent to allowing the hon. member to put his question now?

Some hon. Members: No.

Mr. Friesen: Mr. Speaker, if the hon. member is here at two o'clock, perhaps I could ask my question then.

Mr. Douglas (Bruce-Grey): Mr. Speaker, unfortunately I have arranged to leave after lunch. Perhaps the hon. member wants to ask his question now.

An hon. Member: No.

Mr. Deputy Speaker: Order, please. There not being agreement, and it being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, it is a pleasure to rise to speak to the subamendment offered by the hon. member for Winnipeg South Centre (Mr. McKenzie). May I say, first of all, that I support this subamendment; I believe it to be well-founded.

I listened with a great deal of interest to the hon. member for Bruce-Grey (Mr. Douglas). In my opinion, he gave a fairly well researched speech. He adopted the Liberal party policy that in broadcasting one must first be concerned about the people who are making money, and only second—if at all—about what the people want to hear or watch. His speech seemed to be devoted almost entirely to the quantities of advertising revenue being generated. Not once did he suggest that people might wish to express their own opinions as to what they wanted to watch or hear. It seemed to me that whenever there was a question of advertising revenue versus various other ill-defined quality objectives, advertising revenue won every time.

On the west coast in the Victoria-Vancouver region a great number of our constituents prefer to select the channels they want to watch or listen to rather than those they are ordered to watch or listen to by the CRTC and the CBC. The recent ruling by Mr. Justice Dubé, preventing the CRTC from extending the licence of Victoria Cablevision Company for five years when it came up for renewal, is significant. Mr. Justice Dubé found the CRTC could not renew that licence without hearing an application by Capital City Co-operative to take over the facilities of Victoria Cablevision Company together with the licence.

This presents a real problem for the CRTC. If the ruling of Mr. Justice Dubé is upheld, we will see in future, every time a licence lapses, not only an application from the station that has been producing programs but an application by one or more organizations. The licence holders will be presenting their cases on the basis of their performance, and the new applicants will be presenting theirs on the basis of their promises. There will be no basis upon which to judge what their performance is likely to be. It will call for the wisdom of Socrates to determine the matter in some of these cases, to determine whether a station which has been operating passably should be preferred over one which promises to do better.

The simple economic facts of life have made the licences of radio stations and television stations things of great value. The licence itself should not be of great value. I think we can all accept that proposition, and it is the case presented by Capital City Co-operative. A licence for a cablevision station, or radio station for that matter, should not be a thing of great value, yet over the years this has been the case. I suspect that the blame has to reside with the CRTC, which makes the rules under which these stations operate. Compliance with the rules has always been accepted as sufficient reason for renewal of a licence; hence the likelihood of a station that has been complying with the rules losing its licence was extremely rare.

● (1410)

I compliment Mr. Boyle on the start he has made as chairman of the CRTC. He started off with a tremendous handicap in that his predecessor as chairman, who had the golden handshake, as it were, had the job of allotting licences over many, many years all across Canada. Since these licences were so valuable, it was of prime importance that the CRTC be purer than Caesar's wife. Imagine the consternation among objective-thinking people in Canada to find that the chairman of the CRTC was able to drop his role of judicial impartiality on very short notice and run for the Liberal party in Hochelaga. It is the questionable impartiality of his predecessor that has made it extremely difficult for Mr. Boyle to start work as the new chairman of the CRTC, but despite this handicap left to him by his predecessor I think he is doing a remarkably sound job. I sympathize with him in the difficult position he is now being placed by the ruling of Justice Dubé.

I would have preferred the CRTC to continue with their hearings on the west coast, excluding cablevision from its considerations. I do not think that cablevision and radio station renewals are so closely allied that the CRTC has to freeze everything at this time. There are many radio stations on the west coast, and a couple of new television stations are commencing operations or transferring shares or changing licences. All of this has now come to a stop. Some offers of shares in various companies had deadlines on them. I do not know whether it is legally possible to extend deadlines, but there is at least one radio station in Victoria that was due to appear before the CRTC to have its shares change hands. As I say, this procedure has been stopped, as has everything else.

Two other licence applications of great interest have been stopped. One is the CBC application for an English language television station in Victoria. This was of great interest, of course, to the people on the west coast, partly because it was going to rule another station off the cablevision channels. One of the stations due to leave the cablevision channels would be KVOS, although some people on the west coast thought that KVOS would be ruled out by Bill C-58. It is, of course, not known at the present time whether in fact this bill will ever pass. In the opinion of many of us KVOS has been operating as a pretty reasonable Canadian subsidiary. I hearken back to the speech of the hon. member for Bruce-Grey who was worrying about the money that KVOS had promised to funnel into Canadian television program production according to the subamendment tabled by my colleague for Winnipeg South Centre.

I should now like to speak for a moment or so about what these rulings and what the general attitude of the government toward electronic media is doing to the viewer on the west coast. He is being ignored completely. Men and women on the west coast who have grown accustomed to watching certain channels or programs are not willing to change. I should also like to say a few words about a very touchy subject in Vancouver and Victoria, and that is the

French language television station that was to go on the air in Vancouver.

Mr. Deputy Speaker: Order, please. I do not want to restrain the hon. member in his remarks, but I think he is getting farther away from the amendment in front of us at this time. He is entering a completely different subject, although somewhat related. I hope that he will direct his remarks to Bill C-58 before the House at this time, and in particular to motion No. 7 and the amendment thereto.

Mr. McKinnon: Thank you, Mr. Speaker. I was trying to relate the allocation of channels and licences to television and radio stations to Bill C-58. In my area, cablevision channels are in part held by United States stations, KVOS being one of them. I think it is agreed that this subamendment relates directly to KVOS. It relates to about five television stations in the U.S., the main one of which is KVOS. As I read the subamendment, it makes specific reference to the Canadian subsidiary of a foreign broadcasting undertaking.

I have twice started to make some comments about the French language station in Vancouver. There is no room on the cablevision band for that station at the present time unless some other station is dropped. I should like to point out that the CRTC, the CBC and the Canadian government, showing a total lack of political sagacity, decided to bring on this application for a French language station at this time when channels are scarce. If the CRTC had waited one or two years, both cablevision companies on the west coast have applications in now to go to mid-band broadcasting, which would open up a dozen or more new channels. At a time like that we could transfer some of the favourite programs to those new channels. People would buy transformers which would allow them to listen to the new channels, and the people who wished to have a French language station on the west coast would run into very little opposition.

It is not that people do not want a French language station on the west coast. What they do not want is to have one of their favourite programs pushed off the band. I deeply regret that the government did not have the wisdom to wait another year or two until all the people in that area had converters on their sets. If the cablevision application had been approved, we could have had these converters on our sets within a year or so. With all the extra channels that would be available on the mid-band, the ultra high frequency band, I am sure that the application for a French language station would have run into minimal objections on the west coast and would have been accepted without furor.

I have been wanting to make that point for some time, Mr. Speaker, and I appreciate your allowing me to make it. I think that the public outcry that there is against a French language station on the west coast is due, not to racial or language differences but to the annoyance at being placed in this difficult position when there is no need for it at all. A delay of a year or two until the cablevision companies were allowed to go to mid-band and ultra high frequency broadcasting would have completely obviated this problem. I hope that members on the government side will carry that message to their cabinet masters.

[Mr. McKinnon.]

• (1420)

I am pleased with this subamendment that would make an exception for a Canadian subsidiary of a foreign broadcasting undertaking if the minister of the Department of National Revenue (Mr. Cullen) approves a plan submitted by the said Canadian subsidiary that would provide for compensatory payment by such subsidiary by the allocation of funds to Canadian television program production. This is the part that is really hurting in Vancouver. KVOS has established in Vancouver quite considerable program production expertise. They use a lot of artists. They are particularly good at the type of programming that calls for art work, and it would be truly a pity if such an industry were forced to relocate in the United States.

This additional money would go to the extension of Canadian television services. I am thinking of money being put into public service, such as in Cable 10 in Victoria or its equivalent in Vancouver where the general public is allowed to present programs which are of local interest. This is certainly done by Cable 10 in Victoria. I have the privilege of appearing on a program on that channel one night per month, as do most of the local elected representatives. The time is divided on party lines. The station operates a telephone call-in service and the people of Victoria are permitted to conduct a dialogue with their representatives. This is the kind of public programming that can be carried out. This type of public programming carried out at the present time in Victoria and Vancouver seems to be far ahead of anything I have seen elsewhere in Canada. These channels were among the first to install colour cameras, and their productions are a credit to the community. I do hope this heavy-handed type of legislation will not do away with the allocation of funds to Canadian television program production, particularly of the community type.

These talk shows which are popular on the west coast—this seems to be a west coast phenomenon—help to train the technicians necessary to operate cable, television and radio stations. For all of these reasons, I most heartily support the subamendment of the hon. member for Winnipeg South Centre.

Perhaps I can take one moment to point out, as did the hon. member for Vancouver-Kingsway (Mrs. Holt), that Bill C-58 is most unreasonably unfair to some of the periodicals Canadians have grown accustomed to receiving and count on for coverage of news events around the world. *Maclean's* magazine is apparently to replace them. I can only say of *Maclean's* magazine that it is nice looking and fairly Canadian. One of the problems is the lack of depth in its reporting. When I read *Maclean's* I rather feel I have surveyed a beautiful lake and found it is only two inches deep. However, that is getting pretty far from the subamendment we have at hand.

In conclusion, let me commend the amendment to hon. members opposite. I do not have to commend it to all of them because some are already convinced of the ineptitude and mischief created by this bill. I highly recommend it to those members who are as yet unconvinced. Perhaps they will consider this matter further this weekend, or next, when members of this party will be labouring at their duties and members on the government side will be sitting idly watching the excitement created by the choosing of

the next leader of this country. Perhaps during that time they will decide to give up this hopeless bill and let us get on with something else.

Some hon. Members: Hear, hear!

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, one of the necessities for this amendment is the fact that the minister is not now in attendance, has participated only slightly and has not attended most of the debate in this House. As a result, I suggest she does not understand the issue in this case.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. I should like to bring to the attention of the House, in view of the remarks of the hon. member, that the minister in question has been replaced here this afternoon by the minister to my left, so there is a minister in the House in respect of this matter.

Mr. Wenman: I appreciate that observation, and I appreciate the fact that the whip on that side has done an excellent job of making sure that his ministers are covered. Unfortunately, the decisions that must ultimately be made in generating policy must be made by the ministers themselves. The real issue involved in this amendment is one of time. Time should be given for consideration of this bill and this amendment. This amendment will provide the time for the minister to consider the bill and the amendment in order that she will then understand the matter. The minister did not participate in the committee hearings and she has only briefly participated in the debate in the House. While I am sure she may have read some of the speeches, I think her attendance here is of importance. Because of her non-attendance during the debate, her limited participation here, and her non-participation at the committee, this amendment should be accepted in order that she will have the opportunity to hear representatives from the broadcasting area. I would ask the minister who is here to make representations to the minister to determine whether the issue has been thoroughly aired and understood and if justice is being done. I am sure when she does that she will decide there is no harm in giving us more time on this matter.

Many of the conclusions expressed in the speeches of hon. members from both sides of the House would indicate that the main issue has not been thoroughly aired or understood. The fact that this is a regional issue does not seem to be understood. I hope the Prime Minister (Mr. Trudeau) and the members of his cabinet who are visiting the province of British Columbia will take the time to visit the Canawest production facilities in Vancouver, and perhaps KVOS-TV, in order to have a first-hand look at the situation. If they do not, I am sure when they return they will feel obliged to spend more time on this issue.

The hon. member for Bruce-Grey (Mr. Douglas) not only attended the committee meetings but has done a considerable amount of research and has spoken in this House about those things in which he believes. I congratulate him on that effort. Because the minister has not participated, and in my opinion does not understand the issue, it is even more important that we spend more time on this matter. I hope that the backbenchers who did attend the committee meetings will speak out very clearly to the government calling for the extra time which is required. I hope they will also persuade the government to accept this amendment which does little more than give more time.

While individual responsibility is inherent in any definition of freedom, what is even more true is that freedom is based upon the absence of restrictions. While freedom of movement is perhaps a very basic and important freedom, the most important freedom is freedom of the mind. Freedom of the mind involves, under any circumstances, freedom to hear, to read and to see what we choose. That opportunity is being restricted and limited in this case. I suggest that even if that freedom to choose is limited in the smallest way, we as members of parliament have a right to recognize that this freedom is being eroded or attacked even if in the most minuscule way. That is the case in respect of this legislation.

● (1430)

If I could make any point, I would make this clear point. Fifty-six per cent of the people in the lower mainland area choose to watch and listen to American television. Because of the penalty involved and the proposed commercial deletion we, in effect, are wiping out this choice of the people. This freedom of choice must be retained, because if we do not have it then there are restrictions in respect of what the mind can see and hear. These limitations are completely unacceptable, I would think, to any parliamentary democracy. On that issue alone I ask people to look very closely at this amendment.

According to the government, this bill is tied together; it is one bill referring to broadcasting and periodicals. If we were to relate the two elements and were to find something that has an 80 per cent application to periodicals, if it were applied to television it would be easy to find the 80 per cent. So the most objectionable feature of this periodicals bill could be complied with by a television station. However, we are attempting to wipe it out. The United States government has just begun negotiations with Canada. One unsatisfactory meeting has been held. Further discussion is required. I suggest this subamendment should be accepted so that time would be provided for all the broadcasting media, not just KVOS-TV, to make presentations on this subject to the government and to the CRTC and perhaps, through them, to parliament.

How could anyone object to giving time so that those concerned would have the right to be heard and would be heard? We may not like what we hear. We may not agree with it. We may decide after a period of a year to take the same course of action, but without this sub-amendment we would merely be closing a door which we should be opening. It was stated earlier that this is a subject which concerns all Canadians and has nothing to do with regionalism. I suggest it is related to regionalism and the kind of thing that was demonstrated in *Weekend* magazine this week in an editorial headlined "The Ugly Canadian". This concerned, on a smaller scale, the same kind of impact which Canadians have on the people of northern Washington.

Americans are concerned about the impact Canadians have in that country, just as we are concerned about the impact on Canadians of American broadcasting. Just as we would expect them to be tolerant of Canadians and good

corporate Canadian businessmen, at the same time should we not expect the same kind of justice to be given to United States corporate citizens who have demonstrated their capacity to make a contribution? The contribution they have made is that of promoting Canadian culture. They have established a major firm in Canada for the production of films. This firm is called Canawest. Canawest will be affected by this bill. Since a contribution has been made to our Canadian culture, I respectfully suggest that we should reconsider the matter of "The Ugly Canadian" in relation to the good corporate citizen in America.

Unfortunately, the point was missed by the good member for Bruce-Grey when he claimed the bill would not do certain things. He failed to tell us what good the passage of this bill will do for Canada. Unfortunately, it will do no good. The whole principle of this bill and the amendment is to increase the flow of advertising dollars to the news media. It has been shown that this will not increase the flow of advertising dollars to the news media. If this purpose is not accomplished, I ask what we will have accomplished other than injury to existing Canadian cultural facilities, and I include Canawest as a promoter of Canadian culture and identity.

I have a message for the minister which I hope will be passed on to her by the minister listening on her behalf. I would suggest to the Minister of Communications (Mrs. Sauvé), our fair Portia, that the quality of mercy is not strained should she provide the option of the right to be heard to KVOS-TV and other broadcasters in the same situation, because really what we seek is an element of time. The option to delete this amendment during the next parliament obviously would be open to the government, and in the meantime we would be providing, through this amendment, a period of time in which the government could hear representations from the broadcasting industry.

The most we would be doing would be allowing one more year, or the period of time between now and the next parliament when this entire bill could be presented or when this amendment could be changed if it proved to be unsatisfactory. Surely that is not too much to ask. It is unfortunate that one should be reduced to the position of having to ask for mercy, but I do not hesitate. Although our land might well be disallowed full justice, let this amendment show how mercy can reason justice. If the government continues not only to deny justice but also mercy, the people will have justice more than thou desirest at the next election; because, make no mistake, the members of parliament from this region of Canada have spoken up time and time again. All members have spoken, not once but twice and three or four times in an attempt to get the message across.

● (1440)

Vancouver is not Toronto, just as Toronto is not Vancouver. There are special problems there to which this amendment relates. If it cannot understand what these special problems are, I suggest the government should listen to its own backbench members from British Columbia. The only one who spoke was the hon. member for Vancouver-Kingsway who made an impassioned speech urging that not only this amendment but that amendments she had put forward be passed. If she were here this afternoon I am sure she would speak on the amendment before us urging that the government accept it on behalf of the people of British Columbia.

I think the statements made by the parliamentary secretary about Canadian stations selling advertising on the U.S. market and the fact that the CRTC has stepped in and stopped this, following which the hon. member had to explain that this was an error—

An hon. Member: The argument was not.

Mr. Wenman: —underscore a basic problem in the broadcasting section of this bill. Actually, there are two problems but the first one is major; that is, that even the Parliamentary Secretary to the Minister of Communications (Mr. Fleming), who probably knows more about broadcasting than most members of the House—and I give him credit for that—is confused about the various points at issue in this debate. The broadcasting section of this bill has been completely obscured by the publishing side. Because this affects the lives of many millions of citizens who are viewers, voters and citizens, I urge that we take time to give either the broadcasters who have served Canada for many years an opportunity to present a positive program which could be of benefit to Canada, as proposed in the amendments which we are discussing, or that we send this portion of the bill back to committee so that a clear-cut analysis can be made by members. By that I mean that members analyse that portion of the bill with an open mind to find the best way to improve the Canadian broadcasting system.

Secondly, over and above the fact that we have not had time to analyse the broadcasting section of the bill is the fact that was emphasized by the parliamentary secretary when he said that CKLW had no restrictions on selling in the U.S. market. He might have pointed out that the Americans put no restrictions on selling by CKLW-AM. There is no immorality there. By that I mean that CKLW-AM is a powerhouse, the maximum power station in Windsor, Ontario, which has been serving the Detroit market for more years than any U.S. border television station has served Canadian markets. In fact, the tax structure of KVOS-TV B.C. Ltd., when it was set up in 1955 by both the Canadian and the U.S. tax departments jointly, was based on a method that had been used for many years by CKLW-AM and its U.S. subsidiary, CKLW Inc. I might add that CKLW Inc., at its headquarters in Detroit, employs U.S. citizens and bills itself in magazines throughout the United States not as a Windsor, Ontario, station but as Detroit's number one radio station, which in fact it is. It is the number one audience station in the major market of Detroit, Michigan.

The point I am making is that it is not immoral to receive revenues for services rendered. We cannot say that the U.S. stations are doing something wrong when they sell in Canada, when for many years—more years than the U.S. stations—we have been, and still are, doing the same thing in reverse; in other words, selling from a Canadian market into a major U.S. market.

I should like to take issue with another point made by the hon. member for New Westminster (Mr. Leggatt). He read from the brief submitted by the Canadian Association of Broadcasters which referred to the treatment of Canadian stations by U.S. cable companies. After checking with

lawyers in Washington, D.C., who are attorneys specializing in broadcasting law, I can state specifically that Canadian signals are treated in exactly the same way as U.S. signals, with no exception anywhere in the United States. By this I mean that, instead of calling a signal either a domestic or a foreign signal, the designation is either a local or a distant signal. Because Canadian signals are not located in a U.S. city, they are designated as distant signals, but they receive the same treatment as distant U.S. signals.

If I were a U.S. border station, all I could ask of the Canadian government in terms of taxes, and of the Canadian cable system in terms of carrying my signal, would be that they do exactly the same to me as their U.S. counterparts do to Canadian signals. It is that simple. CAB should have no complaint whatsoever about the way in which Canadian signals are handled in the United States.

This is the time for sober thought. Our integrity and good sense are at stake. Let us accept the amendment to this section and not "grandfather" anyone into any situation, but merely permit negotiations in such a way that if the negotiated settlement is better for Canada than the punitive effects of Bill C-58, Canada is not precluded from accepting the negotiated settlement. I am not asking that we, as members of the House, make a judgment. All we are asking is the right to be heard. Having heard us, the Minister of Communications will be in a position to grasp the situation, with the help of her parliamentary secretary who has been following the debate closely, following which I am sure we will be able to decide what is rational and right for both Canada, the U.S. and our corporate citizens.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I appreciate this opportunity to rise once again in the House and speak in support of an amendment which I think deserves the consideration of hon. members opposite. Apparently up to the present they have not paid attention to what has been said on this side of the House. I think it is a great misfortune that the hon. member for Vancouver-Kingsway (Mrs. Holt) was not here today to hear the comments of the hon. member for Bruce-Grey (Mr. Douglas). I am sure she would have straightened him out, because he is looking inward rather than outward. I am also sorry that he is not here this afternoon to hear what we have to say, because in my opinion he made a hit-and-run speech.

The issue at stake in Bill C-58 goes beyond one television station or even three or four television stations. What we are actually talking about here is communication. One of the misfortunes of people in this world is that they allow communications to break down. I am sure you would agree with me, Mr. Speaker, that many of the problems that families have are caused by a breakdown in communications. This is what happens when people stop speaking with each other. The same is true with regard to families within communities, with regard to regions within Canada and even with regard to nations. The minute they stop communicating with each other, trouble commences.

● (1450)

Therefore, I am deeply concerned about what we in Canada are doing as we unilaterally make decisions which only serve as confrontations with our neighbour to the south. Let me impress upon the House that if the crunch ever comes, the United States will be our last resort for help because of the fact that we share this continent together. What is good for one part of the country certainly has to be good for the other, and if it is good for the regions of the country, it is good for the people who live in those regions. For the last several years I have been concerned about the way Canada has treated the United States. I could relate several instances where we have backhanded the United States and they, being the older and bigger brother, have taken it and said nothing.

I am as pro-Canadian as anyone living in Canada. Some of our families are now fifth, sixth and seventh generation Canadian, and many of our ancestors came to this country from the United States. So from anything I may say it should not be inferred that I am anything but pro-Canadian. However, I am firmly of the opinion that I can be a stronger Canadian if my country grows in conjunction with the United States.

Some hon. Members: Hear, hear!

Mr. Towers: We have much to lose because we are much smaller than the United States. We have discussed the probability of bringing down a trunk line for the movement of gas and oil from the northern part of the continent, and the reason we are having problems in negotiating such an agreement is that the United States has now come to the point where it can no longer trust Canada and Canadians. It is not sure where it stands. We must realize that the United States is the only country in the world upon which we border. It is north of us and south of us. Therefore, we must consider the fact that the United States is our neighbour, and a good neighbour. However, I am sure the American people are human, and if we continue to backhand them, as we seem to be doing with all the legislation we are passing, petty or otherwise, eventually they will say that that is enough and then we will suffer the consequences.

With regard to television stations, I think this is a small thing. I am sure the dollars which would be saved by Canada would be few in the over-all picture. The hon. member for Bruce-Grey was too close to the trees to see the forest when he spoke this morning. If you want to grow big and strong, you cannot do that at the expense of your neighbour. You can only do that if your neighbour does it with you. I feel very strongly that we must give greater consideration to our friends south of the border in order to have a proper means of communication between the two countries, and not to build a great deal of ill-will, animosity and misunderstanding.

There has been a difference of opinion over the past two years with regard to our beef industry. This matter is very close to us in western Canada. It is as close to us as television is to those in southern British Columbia. A problem developed because we allowed the communication system to break down. I would be very happy if the Prime Minister (Mr. Trudeau) or the cabinet would give some hon. members opposite who are really interested in the negotiation of an equitable deal with the United States a means of trading and understanding which will be to the benefit of all of us.

I must take exception to the actions of the cabinet, this government and the support it has from some of its backbenchers with regard to the unilateral actions being taken without any discussion with the United States. I am sorry the minister is not here this afternoon to tell us whether he had any discussion with our friends in the United States about the program. Has he discussed what share of the dollars we will get out of television in British Columbia or in southern Ontario? I realize we are entitled to a share and we should have a fair and proportionate share.

In any dealings I have had with Americans, I have found them to be fair, intelligent and very understanding, and I am sure that an equitable arrangement can be worked out whereby we can maintain our status as an independent people and also be held in esteem and trust by our friends. This is of fundamental importance and goes far beyond the amendment we are dealing with today. While I realize that I have been dealing primarily with our neighours to the south, to a degree this could affect our relationship in the whole world of communications. We all know that the world has become smaller as technical means of communication have been developed.

In recent years, and during the past five years in particular, the relationship of this country with her neighbour to the south has deteriorated to a dangerous degree as a result of our lack of consideration, discussion and even common courtesy. The policy of this government seems to be to create dissension by implementing ill-timed and poorly conceived decisions directly affecting our friends to the south. In earlier years, leadership in Canada was exemplified by open negotiation, dialogue and knowledge of that country's interests and their effect upon our own. When leadership exactly the opposite in nature took over our country, the closeness from which every Canadian benefited gradually diminished, and in more recent years one could almost come to the conclusion that the Prime Minister and his ministers feel that our southern neighbour is an enemy rather than the best friend Canada has.

On reflection, this continuing disagreement of Canada with the United States government and its officials appears to be personal revenge on the part of the Prime Minister. Recently he said on his visit to Cuba that he wanted to go there prior to any representation from the United States. He did not say why, but I am sure there must be a question mark in the minds of Americans, and perhaps while he is out in British Columbia he would be well advised to go on one of those television stations—perhaps KVOS—and tell our neighbour why he made that statement.

In my opinion, personal spite or grievance of a leader of any country should not be imposed upon its population through policies at the national level, just to prove one man's authority and to fulfil his desire to get even. If people in public office followed that pattern at every level, a country would be placed in an impossible position and would have a very black image indeed. When a prime minister and his cabinet set this type of example, everyone suffers, on both sides of the border. To be a good leader one must first learn to be a good follower. There is no place in our country for childish behaviour by a government leader at any level.

[Mr. Towers.]

• (1500)

Incidentally, this is not the time for people to be looking inward; they should be looking outward. Why do the government and the cabinet insist on proceeding with these unreasonable and unnecessary restrictive policies which operate to the detriment of our loyal and friendly neighbour to the south?

The bill now before the House, without amendment, is just one more example of decision without forethought, without consideration, and without discussion. I believe that if the minister responsible for the bill had made a trip south of the border to discuss the problem we would not now be spending all this time debating it. Instead he delivered it as a bolt from the blue, and he feels it must be put through regardless of repercussions within Canada or in the United States.

How much longer does the government think it can bulldoze its way through with this type of legislation and expect our neighbour to turn the other cheek? If the shoe were on the other foot the protests of cabinet ministers opposite would be heard around the world, similar to a pampered child who fell on his face because of his own clumsiness yet tried to place the blame on someone far removed from his come-down. I can visualize all the reports stressing what we did for the United States, plus the imaginations of every anti-United States person within and beyond the North American borders.

If Canada wants to create enmity why not choose a country which is opposed to our way of life, which does not believe in basic freedoms or the right of the individual? Goodness knows the world has more than enough countries under dictatorships. I hope we can still maintain our friends among those countries which think and act as we do. Canada needs, and her people desire, the friendliness of the United States and its citizens.

The good will and understanding between Canadians and their southern neighbours is constant and deep. The border does not enter into their minds. There cannot be a line drawn when it comes to friendliness, co-operation, admiration, and communication among people. I would venture to say that relations between people of the maritimes and New England, between Ontario and the central United States, between the prairie provinces and the Dakotas, and between British Columbia and Washington are more loyal and closer than ties between the different regions of our own country because of the fact that two thirds of our population live within 300 miles of the United States border. The United States can get along without us, but we would have a difficult time getting along without the United States as long as there is that 4,000 or 5,000 mile unprotected border.

For what reason did the Secretary of State (Mr. Faulkner), or whoever had the brainwave to formulate Bill C-58, take action which could only heighten the doubt the United States now has about the reliability of the Canadian government? This arbitrary piece of legislation, added to Canada's several ill-conceived agricultural policies, implemented on the spur of the moment by our federal government, must only underline the question: can the United States rely on Canada with her on and off again, up and down restrictive policies initiated at the apparent whim of a government careless of our historic ties and

overlooking the strength we automatically have as a nation bordering on the United States? That country has a ratio of about ten to one in population, production, and resources compared to us. Regretfully I would have to say that the ratio would apply as well to public relations, international policies, brotherhood, and loyalty.

What would happen for instance if our neighbour decided without negotiation, forewarning or consideration to legislate its land as out of bounds to Canadians for ownership or publication purposes? How could the Prime Minister and the cabinet explain such retaliation to Canadians that was caused by their policies? As a matter of fact many residents of this country feel more at home across the border than they do here. This is another result of the inconsiderate, biased federal government policies.

Communications between the people of the United States and Canadians are open, friendly, and constant. Communications, whether through television, radio, magazines or people is vital; but communication between the two governments is a basic essential if Canada is to regain the proud image which has been so continuously and vigorously eroded in recent years by those governing this country.

Does the government place pettiness and its persistence to exercise a stubborn, unfriendly attitude above the standing of this country with our strongest neighbour, thus blackening Canada in the eyes of the free world? Mr. Speaker, I hope the government gives credence to what we are saying on this side and recognizes that as the United States grows, so grows Canada. We are both going to grow better and stronger if we grow one in conjunction with the other.

Mr. G. H. Whittaker (Okanagan Boundary): Madam Speaker, I was not going to enter this debate until I heard the hon. member for Bruce-Grey (Mr. Douglas) speak earlier about how similar television and broadcasting were in Ontario and British Columbia. I doubt very much if he has travelled beyond the small orbit of his own riding because I do not believe he knows what he is talking about when it comes to television or broadcasting in British Columbia.

An hon. Member: Where is that?

Mr. Whittaker: Somebody from the party to my left asked where British Columbia is. Well, they used to know because at one time they had a few members from British Columbia but 1974 fixed that up. Now they have only a small contingent and they are not heard from too often.

An hon. Member: The Tories didn't do that.

Mr. Blais: All you guys are going to run in Oregon next year anyway.

Mr. Whittaker: I put the question, what has the elimination of KVOS-TV from Vancouver got to do with the station in my riding as far as television is concerned? There are 250 miles of the Canada-United States border in my riding and those people who live along it will have to rely on American broadcasts if they want to see television. They tell me that they cannot get Canadian television and only know what is going on in the United States.

Non-Canadian Publications

The city of Grand Forks has CBC and CTV but people are also able to get broadcasts of American television from just across the line, a very short distance away. There is a move afoot for cable television in this area. A lot of people are writing to me and asking what is going to happen to the broadcasts from across the border when Canadian cable is installed. They wonder if they will not be able to get it because a lot of them will not be able to get cable. The cable companies just service those who are the easiest and most economical to service, and leave others without. These people have a real concern. For many years the only television they were able to get was from across the border. This is exactly what happened in Midway.

● (1510)

I know the hon. member for Yorkton-Melville (Mr. Nystrom) to my left will not understand this kind of thing. He comes from a part of the prairies where there is not much concern about TV or radio broadcasts. But what I am raising now is something real; it affects people. I think the hon. member understands people; I don't really know. But this is a real concern to people.

The people in the community of Midway were able to get CBC-TV because they took the initiative and formed a company which bought the necessary machinery and put it on top of the mountain. They were then able to get CBC-TV. Their mainstay has been a broadcasting station just across the border, not too far distant. That has been their main broadcasting station and they have had to get by with it over the years, when they were not able to get television. Then a forest fire burned their equipment, and once again they had to rely on television broadcasts from across the line in the United States.

They tried to interest the CRTC in building a broadcasting station under the accelerated program about which the hon. member for Bruce-Grey was talking. At any rate, they wanted the CRTC to do something under the accelerated program so that they could have TV broadcasts in the area. They were not very successful. Let me read what the Secretary of State's department had to say. An official wrote:

> The situation in which the people of Midway find themselves is indeed a difficult one. Officials of the CBC inform me that the corporation can offer no financial assistance in the rebuilding of the installation in Midway, but that they would be pleased to help by giving engineering assistance and advice to the TV committee in the restoration of its installation.
>
> Plans to install a CBC-TV transmitter in the general area are part of the CBC's accelerated coverage plan, but this, of course, offers no immediate solution to the problem of television coverage for Midway residents. This could be done through the CBC's Vancouver regional headquarters.

That letter was written on October 3, 1973. Since then the government has tried to do a lot of things in Vancouver with TV but it is not doing anything constructive in communities like Midway along the border which need help, have not got access to Canadian broadcasts, and rely heavily on television and radio broadcasts from the United States. They say to me, "We don't know what is going on in Canada."

Part of a letter sent by one of the people in Midway reads:

Non-Canadian Publications

Technical advice we have had enough. After all, we had enjoyed satisfactory TV reception long before the CBC even knew about us. What we expected the CBC to do was to accelerate their accelerated coverage plan just a little more, mainly for the fiscal and political reasons outlined in my resumé to you.

We don't think that the total expenditure of about $1,200 would have bankrupted the CBC, but it surely would have created a lot of appreciation from a number of taxpayers who in the past years have contributed at least this much to the CBC as their share of income taxes on top of the $15 they pay annually for the upkeep and maintenance of our signal translator.

That shows the kind of thing going on in my riding.

I mentioned Grand Forks and I mentioned Midway. Christina Lake does not even have TV. They cannot get CTV or CBC-TV. They have to rely on broadcasts from the United States.

Let's look at Princeton. Princeton is a fairly good sized city in my riding. And what do they have by way of TV? They have private enterprise repeaters broadcasting equipment up in the mountains. They were supposed to subscribe for one of these and pay for it. They have CTV equipment up there, but it is strictly on cable. That means that only those who can afford to hook up to cable, only those in the area where the cable is, can have that kind of broadcast.

My hon. friend from Bruce-Grey talked about the accelerated coverage plan. If any people deserve a broadcasting station, a CBC-TV station built under the accelerated coverage program, it is the people of Princeton. I ask you, what are all these goings on in Vancouver, and what has the kicking out of KVOS from the Vancouver area got to do with these kinds of accelerated programs?

As far as CBC radio is concerned the people in heavily populated communities like Kelowna and Penticton, where there are more than 75,000 people, have been trying for 30 years to get a CBC radio station in the area. They have now been promised it. The subject was supposed to come up just when the CRTC meeting in Vancouver was adjourned. After 30 years of constant bickering and of trying to get the government to put it in, they are now going to get it. I do not know if it is to come under the accelerated program, but I do know that we have been told that we are going to get, in 1978, a French TV station in the Okanagan area. It did not take long to come in, certainly not 30 years. It is to come in very quickly under the accelerated program. But we are not getting, and we have not been told we are getting, TV stations in our border areas where there are a lot of deserving people and where they must rely to a great degree on American broadcasts.

I thank the House, Madam Speaker, for allowing me time to speak, and I hope that some of the members opposite from eastern Canada now know what goes on in British Columbia.

Mr. Stuart Leggatt (New Westminster): Madam Speaker—

Mr. Blais: Let's hear about the real British Columbia, Stu.

Mr. Leggatt: I agree with much that the hon. member for Okanagan Boundary (Mr. Whittaker) said about the provision of CBC programming for border areas, and about the accelerated program provisions. However, I suggest that we should direct our attention to the amendment before us and consider if we are to vote for or against it. The amendment would leave open the opportunity for station KVOS to negotiate a special deal. That is what we are talking about at this stage of the debate. To be consistent, we opposed the special deal worked out with *Reader's Digest* and on the same principle we oppose a special deal for KVOS in terms of its somewhat unique position in broadcasting in British Columbia.

[Mr. Whittaker.]

● (1520)

I guess we could get to the history of KVOS. They entered the market very early. They attempted, I think, to be a good corporate citizen in their Canadian operation, but we are still faced with a fundamental problem and it is that KVOS is an FCC-licensed station which is licensed to broadcast to the Bellingham area. It is not licensed to broadcast to the lower mainland. So unless and until we have an across-the-border convention where there is some kind of joint licensing provisioning, so that the market area for the individual television stations is determined in the licence, the hope of making this kind of special arrangement is very slim indeed.

I want to go on record about something else which is connected to this. I oppose the provision under the CRTC for cable deletion. I think it is wrong that American programming with advertising should be arbitrarily deleted by Canadian cable companies which are allowed to substitute their own advertising into the programs.

I know the law says that there is no title to the cable signal. But I think it is offensive to most individuals, to their sense of propriety and morality, that programs that are produced at a cost should arbitrarily have the advertiser, who in fact helps pay for the production of those programs, suffer by having his advertising arbitrarily pulled off and Canadian advertising inserted. Surely to God many of us in this House have already suggested that we have a look at the whole question of broadcasting on both sides of the border, and it has to be looked at in terms consistent with the Canadian nationalism problem. Nevertheless the idea of arbitrarily deleting advertising on cable is offensive to the majority of Canadians who have a sense of what is right and what is fair.

Again the amendment to some extent is an amendment to protect a private broadcaster, so I want to make sure that what I am saying is related to the motion. I must say that the Conservative position on the question of private broadcasting is one which is giving me some concern. Therefore, like the hon. member for Winnipeg North Centre (Mr. Knowles), I thought I would do some digging on this thing and I went back to an MP from British Columbia. His name was Mr. Fraser, and it was in 1935 that he spoke for the Conservative party in British Columbia. He said the general complaint throughout the province was that they could only get reception from United States stations.

There was a plea from many Conservative members in British Columbia in those days for the expansion of public broadcasting, for the development of communication in this country between east and west to resist the very heavy cultural pressures that tend to run north and south. In fact all he was doing was supporting his leader at that

time, Mr. R. B. Bennett, who had a great deal to do with the beginning of a public broadcast network in Canada and the beginning of the idea of developing a Canadian nationalism.

In fact, I suppose that when we get back to the traditional question of who were the free traders and who were the protectionists it would seem to me the Tories have a pretty good record in terms of protecting Canadian industry. We in the west never liked that because it meant we had to pay higher prices for products produced in the centre of Canada. But it is rather inconsistent now that we should have had so much debate on the virtue of free enterprise broadcasting when it was the Conservatives who, through George Grant and through R. B. Bennett, had a great deal to do with establishing public broadcasting in Canada, and it is to their eternal credit that they did.

It was only in latter days that we had this continuing attack on the CBC, saying that great monolith should be attacked, but sometimes the attacks get pretty irrational. The CBC has a pretty tough job to do in terms of trying to satisfy the myriads of interests in the country. I wish to quote Prime Minister R. B. Bennett who said on June 6, 1935:

> We in this country are in an exceptionally difficult position. We have ten and a half million people and we have to rent several thousand miles of wire to broadcast on an efficient scale. That is very expensive having regard to the existing rates for wire, railways and telephones.

I urge members of the Conservative party to read what R. B. Bennett had to say about public broadcasting in Canada because I think they should not abandon what really was good judgment and good sense expressed by that Prime Minister at that time.

Mr. Towers: If you had listened to what we said you would know different.

Mr. Leggatt: I did listen carefully.

An hon. Member: We did not say anything against the CBC. You started it.

Mr. Leggatt: When we get into broadcasting I want to say something about the fact that the finest channel coming into the lower mainland is not a Canadian channel. It is American channel 9 out of Seattle. It is an educational channel. Again those of us in this House who do not support the amendment also do not support the idea that existing programming should be deleted from the cable.

There is every reason to have full choice in the lower mainland of British Columbia. In fact if we stop thinking of just today's debate and think ahead a little, a converter before long will become standard equipment on television sets. We will go to 36 channels in the foreseeable future, within a few years, and this will provide us with all the variety of programming we need. Commercial programming fulfils a responsibility all right but it does not fulfil the democratic need for variety of programming because stations are at the whim of the advertiser.

Without proper ratings all you can appeal to is either the lowest common denominator or the largest audience. But there is a significant audience out there for something different than Mary Tyler Moore three times a week, plus re-runs, or "I Love Lucy". We will have a chance to reach all those different audiences under the converter system. We do not need to be narrow about allowing American programs on to the cable system. We could cope with all of them, including a French station in Vancouver, and we could expand our service into areas which do not normally share in television.

Let's have an original play once in a while. Let's have a little educational television which we have not had for a very long time. That is why I want to mention once again channel 9, a public service channel out of Seattle which has used some CBC programming too, because it seems to me to be satisfying an audience which is very unhappy with commercial television programming. I remember when Sunday mornings used to be called a television ghetto hour, when we had a few public discussions and something worth-while in terms of satisfying the intellect. That is gone, because if programs do not measure up under the rating system advertisers will not touch them with a ten foot pole.

As I see it one of the main functions of public broadcasting is to extend to everyone a variety of choice. Then we can protect Canadian nationalism. We do not need to shut off the border or to blank out signals from a certain direction. Nevertheless it is important that we support stations within our own borders, particularly in terms of revenue, and this is the objective of Bill C-58.

● (1530)

As I say, we cannot support the amendment that has been put forward. Television station KVOS is to some extent an innocent victim of this legislation, but we really do not have a solution to the problem. In fact there is no solution for KVOS because it is an FCC licensed station in the Bellingham area. I would be pleased to see them given a CRTC licence and establish themselves in Vancouver so they can go into production with revenues from the Vancouver area. That would be satisfactory. But since it is not licensed for the Vancouver area it is not really under the jurisdiction of the CRTC. I therefore submit the amendment before us should not be supported.

Mr. Arnold Malone (Battle River): Madam Speaker, I just want to interject at this time a few comments specifically on the amendment dealing with broadcasting as it comes into Canada from foreign countries. Perhaps I may commence with some remarks with regard to the comments made by the hon. member for New Westminster (Mr. Leggatt). If he had to go back to 1935 to find some difference in consistency in the Conservative party's philosophy, that does not exactly show too much of a threat, especially when it was a period when most people were still using D-type battery radios and did not know television was an instrument that could be used in the home.

I think the particular issue of concern here is that this is another piece of censorship being promoted and put forward by the government of the day. It is another way in which the government has told the people, "We know what is good for you". I agree with the comment of the hon. member for New Westminster that these in many ways are regulatory kinds of concerns. They can be dealt with and handled by regulation. It is not a problem that needs to be

handled and dealt with by banning or controlling foreign broadcasting into this country.

I think this is a view that is not compatible with the whole history of the development of KVOS operating into the southern mainland of British Columbia. Anyone who has thoroughly and educatedly analysed the situation of KVOS has to come to the conclusion that few stations have taken such a strong and advanced good corporate citizenship attitude as they have. I submit their establishment of Canawest, a film industry operating out of Edmonton, Calgary and Vancouver, employing several hundreds of people in the artistry of making animated films, films projected not only across Canada in Canadian advertising but also very extensively in the international market in the making of commercials for other countries, demonstrates quite clearly the fact that that particular corporate structure has taken seriously its Canadian obligation.

At one fell swoop with Bill C-58, which is both a censorship bill and an anti-Christian bill, we—

Mr. Leggatt: Anti-Christian?

Mr. Malone: Yes, it is, because the bill also provides foreign content in public materials cannot exceed 80 per cent. Since the Bible comes into Canada in this way, it is also anti-Christian.

I will make that point in another way. If I might digress for a moment, Bill C-58 has a very marked effect on at least one specific area of the province, the Mormon communities in southern Alberta whose religious materials are all published basically outside the border. If you apply this legislation to its full extent, it discriminates in a religious way, and challenges quite strongly the notion of freedom of religion, because it excludes material more than 80 per cent of the content of which is published outside of Canada. I am afraid this bill is a threat not only to the normal kinds of reading material but religious as well.

Essentially the amendment asks for time for the Canadian government to decide how to spend foreign dollars on Canadian culture. It is almost an irrefutable kind of amendment. First of all it does not put the government in the position of taking a decision that in any long term way is going to hurt it; it simply requests that time be given for further study of the bill in the committee. That seems to me a very obvious proposal that government members ought to accept.

Secondly, it puts forward a proposal that can do nothing but lead to advantage for the Canadian people, because its acceptance would mean an increasing amount of dollars would be pumped into Canadian culture.

We are dealing, then, with the whole question of freedom of choice. Let us look at the very obvious subjective judgment being made by the government, subjective in terms of how it is tearing down the traditional stations that people on the lower mainland of British Columbia and the border areas of central Canada are accustomed to. I note this action is just as consistent as the government's claim that 80 per cent of the content of newsmagazines must not be published previously somewhere else; at the same time the government again subjectively takes the position that that does not apply to newspapers.

The fact of the matter is that if you pick up any paper, the Ottawa *Citizen*, the Ottawa *Journal*, Toronto *Globe and Mail* or *Star*, or any paper anywhere in the country, you will find that paper has more than 80 per cent foreign content. Yet the government, again subjectively, without first establishing criteria, is taking the position that the bill's provisions apply to the broadcasting industry.

As the hon. member for New Westminster said, there ought to be a cross border convention on broadcasting. While it was his position that we should have the convention first and then follow through with some kind of special deal, I think it really ought to be just the reverse. The fact of the matter is that a number of these border stations have established their roots. They have become good corporate citizens, in many cases pouring large percentages of their money—not just large amounts but large percentages of their money—into the Canadian cultural system, building industries in this country and hiring Canadian people—

The Acting Speaker (Mrs. Morin): Is the hon. member for New Westminster (Mr. Leggatt) rising to ask a question or on a point of order?

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

The Acting Speaker (Mrs. Morin): Would the hon. member for Battle River (Mr. Malone) allow a question?

Mr. Malone: Yes.

Mr. Leggatt: On the question of a cross border convention, the hon. member indicated that his position was that we should pass this amendment and then enter into negotiations. Would he respond to this question? Would we not be in a stronger position in such negotiations, instead of giving away part of our bargaining stance by passing this amendment favouring one station, to negotiate first?

Mr. Malone: No, I would still have to disagree with the hon. member for New Westminster. To do it in the order in which the hon. member suggests would simply mean a great deal of the stations presently operating would have to go out of the business of broadcasting in Canada, or cut back on their revenues from Canadian sources. That puts us in the position of taking action against those people who traditionally have been good corporate citizens working in the best interests of Canada. Then following the adoption of some convention we would reinstate them. That is kind of a long road for anyone to have to tread.

● (1540)

Perhaps the government can handle this cutting back and rejuvenation, but it is certainly not something to which we can subject the corporate structure. If we were to do such to a corporate structure it would simply take its broadcasting system out of Canada and establish it somewhere else.

The point is well taken by the hon. member for New Westminster. In countries with borders such as the one which exists between Canada and the United States it is probably true that a convention of some kind should be established considering the whole nature of broadcasting. As I have said in respect of other amendments, the way to

increase Canadian culture is not by restricting or severing our relationships with the United States, or by allowing only Canadian content, or a high percentage of it in our publications and in our television and radio broadcasting. The way to extend Canadian culture is in fact by playing upon that larger market of 220 million people to the south. I believe such a convention between Canada and the United States ought to be aimed not at destroying border stations or cutting off U.S. broadcasting into Canada, but quite the reverse. We should be increasing Canadian influence into the international market, and we should be increasing significantly our intake of cultural matters from all countries of the world.

It must be recognized that our world is not getting larger, it is getting smaller, and this is not the time in our history to shut off our borders, limit information, and restrict the flow of communication. This is the time to open up and begin to communicate more and more with international markets, creating more opportunities for our artists, and all this by developing situations in which they can broadcast into the United States.

In much the same way we found that other parts of this bill represent censorship. The 80 per cent figure is in effect censorship in that we are using a mathematical concept to deal with something that has no mathematical unit. The whole thing becomes a subjective judgment, and therefore censorship. The same applies to the broadcasting regulations.

This House should give full consideration to an acceptance of this amendment because in essence all it is asking for is more time in which to conduct an in-depth study, and a chance for those who are to be affected to appear before the committee to make recommendations and suggest other alternatives. This time would allow a more thorough study of the issue, and I see no reason why anyone in this House would oppose the suggestion that we allow a minimal amount of time for greater participation and for greater study.

Mr. Peter Elzinga (Pembina): Mr. Speaker, since this debate has been going on for some time I think it would make sense to read again the amendment now under discussion. It is:

> That motion No. 7 be amended by deleting the proposed sub paragraph (c) and substituting therefor:
>
> (c) "a written agreement entered into after the coming into force of this section with a Canadian subsidiary of a foreign broadcasting undertaking if the Minister of the Department of National Revenue has approved a plan submitted by the said Canadian subsidiary providing for compensatory payment by such subsidiary by the allocation of funds to Canadian television program production, extension of Canadian television service, development of Canadian talent, or otherwise for the benefit of Canadian broadcasting: the Minister may require as a condition for entering into any such agreement that a percentage, to be stipulated by the Minister, of the voting shares of such subsidiary be beneficially owned by Canadian citizens".

In participating in this debate I should like to refer again to the comments of the hon. member for Bruce-Grey (Mr. Douglas). Far too aften when members representing regions in Ontario speak in this House they portray the attitude that the Canadian border ends when it reaches Manitoba. I do not find this as evident on the part of members on this side of the House, but far too often Canada is considered to be Ontario, and nothing but Ontario.

In the speech of the hon. member for Bruce-Grey he made an extremely strong case for the province of Ontario, and I commend him for that because he has a responsibility for that region. The amendment now before the House would have a great deal more effect on the residents of the province of British Columbia than on those in Ontario.

As an Albertan I feel there is more at stake than just this broadcasting issue. The issue is whether we want to see the government prying into many aspects of our private lives. We in the Progressive Conservative party are aware that in equities in the broadcasting industry exist and that legislation is required to correct these. The present legislation before us fails to take into account the needs of our regional areas.

It was of interest to note the other day that an hon. member of the Creditiste party complained about not having a French-language station in his area which is predominantly French-speaking. At this time some of our friends opposite are attempting to do something that is perhaps contrary to the beliefs of many of us. They are planning to put a French CBC station in Vancouver over the objections of the local residents. This is an indication that the government fails to recognize the regional needs of the country. We have an area in Quebec which would very much like to be served by a French-Canadian television station, but seems to be having great difficulty in getting one. Yet in Vancouver where the need does not exist the government is pushing such a station down the throats of those residents.

Many northern areas in British Columbia and Alberta do not have decent television reception, yet we do not see a great effort on the part of the present administration to provide such service to those areas. On the contrary this administration, as we see by this legislation, is attempting to eliminate existing stations in southern British Columbia.

After listening to the speech by the hon. member for Bruce-Grey I find it difficult not to agree with him. Perhaps it is difficult not to agree unless one has his fingertips on the very complex facts. Herein lies one of the problems. Very few people have bothered to take the time to get the facts in respect of broadcasting. Most of the time during this debate has been spent in respect of publishing problems involving *Time* and *Reader's Digest*.

It is all very well to say that we should protect Canadian broadcasters, and by doing so automatically great sums of money will flow to Canadian stations. That sounds good and it reads well in print. It is also nice to hear people say that we should be patriotic and protect the Canadian broadcasting industry. It is all well and good to be patriotic, but I think it is also essential that we be realistic.

This is not a simplistic piece of legislation. We must protect a number of Canadian entities, and among those entities is the Canadian broadcasting industry, but we must also protect the Canadian businessman who advertises in order to sell his merchandise. No one has talked very much about him during this discussion. We need to protect the Canadian viewer, the Canadian citizen we all

represent whose freedom of choice this bill and other government action threaten.

● (1550)

It is easy to speak about a national policy. But I ask why, just because it is nation-wide, is it nation wise? It takes an eastern problem and transfers the problem and the solution to the west. The problems and solutions are totally different. I think it is essential that we, as parliamentarians, understand that there are different regional problems in the various areas which must be approached on a regional basis.

We are attempting to have the government explore the optimum method of meeting the objectives of the Broadcasting Act. All these amendments say is that if a plan submitted by a border station is good for Canada then these punitive effects of Bill C-58 should not take effect until Canadians have an opportunity to explain the alternatives. What in the world is wrong with that? In the case of British Columbia the circumstances are different from those in eastern Canada. Everything is different. No one from the east will take the time to realize that what is good for Ontario and Quebec is not necessarily always good for British Columbia and Alberta.

Let us examine the practical results of Bill C-58 in British Columbia and Alberta rather than in Ontario. In order to survive KVOS-TV will have to cut its rates probably by 50 per cent to meet this tax bill. This would result in a loss situation for several years while the market grows. Be that as it may, that station will remain on the air. Its revenue will be cut by over $3 million. This money will not be available to Canadian stations or for the Canadian broadcasting objectives. Instead of that $3 million plus being lost to broadcasting let us do what mature neighbours should do; let us work out a compromise whereby everybody benefits.

Let us put $2 million a year into a non-profit society with a board of directors of distinguished B.C. citizens. This board, not KVOS, would spend the money in any way worth-while in order to further our broadcasting objectives. Some suggested possibilities include sharing costs with Canadian stations in extension of the Canadian station services into such places as Skeena, Prince Rupert, upper Vancouver Island, and the Kootenays. They would also include the building of a major production centre in British Columbia with the cost sharing funds that would bring in other money from the United Kingdom and the United States.

While Canada's major production facilities are in the provinces of Ontario and Quebec, why do we attempt to deny the province of British Columbia the opportunity to build a comparable production empire operated and staffed by Canadians with funds from Canadian advertising? We could set up training centres on the Vancouver mainland, on Vancouver Island and in the Okanagan for the training of Canadian writers, directors, actors, and the development of the other skills needed in production. There are no skills of this type in B.C. This plan is a positive one. We have always said we are interested in exploring alternative ways of achieving the results we want.

Bill C-58 would accomplish nothing in B.C. The plan submitted by KVOS-TV (BC) Ltd. is good for the citizens

of B.C. and is just plain good business. I say again that all these amendments do is permit the exploration of plans such as this. If they are better for Canada than Bill C-58 why should we stop Canada benefiting?

The hon. member for Bruce-Grey this morning brought up some good points in his speech. As you can probably tell, Madam Speaker, by the many speeches of B.C. members from this side of the House we have been closely analysing the TV picture in B.C. We sincerely believe the western problems are not the same as eastern problems. The television side of Bill C-58 is not simplistic. It is complicated in many ways.

The hon. member for Bruce-Grey said that he had spoken to numbers of TV stations and that they all said this bill is good for all Canadian broadcasters. The Institute of Canadian Advertisers submitted a brief on this subject. That institute presents a different type of background. It gives a good outlook on this topic. It is very different to the view expressed by the hon. member for Bruce-Grey. In summary may I say that this is not a simplistic problem. It involves dangerous economic effects. We need to study this broadcast section so that we are all in agreement that we are doing the best job for Canada and for the Canadian businessmen and Canadian viewers. I believe that this bill will be a bad influence over-all on our broadcasting outlets. I urge the members of the House to support the amendment presently before us.

On this note I should like to quote from the brief we received from the Institute of Canadian Advertising. That institute states:

—we ask ourselves what would happen to various groups if advertising expenditures by Canadian advertisers on U.S. border stations were made a non-deductible business expense:

Madam Speaker, I see it is four o'clock.

The Acting Speaker (Mrs. Morin): It being four o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

HOLIDAYS ACT

ESTABLISHMENT OF NATIONAL HERITAGE DAY

Mr. Mark MacGuigan (Windsor-Walkerville) moved that Bill C-208, respecting Heritage Day, be read the third time and do pass.

Mr. Knowles (Winnipeg North Centre): Carried!

Mr. Stan Schumacher (Palliser): Madam Speaker, in rising to participate in this debate I must say I am somewhat surprised that the sponsor of this bill did not take the first opportunity to express his reasons for wishing this motion to pass today. In fact I do not even see the sponsor of the bill in the Chamber. I am sorry; he is present.

Mr. MacGuigan: I want to see it passed because there have been enough speeches.

Mr. Schumacher: The hon. member says he wants it to pass because there have been enough speeches. It is my recollection that there was very little debate on this measure at the second reading stage.

An hon. Member: You were not here.

● (1600)

Mr. Schumacher: That is quite true, I was not here. I was somewhat surprised when I came back and found that it had passed second reading without debate. It went through the Standing Committee on Justice and Legal Affairs in pretty short order. What we are faced with now is a measure which has not really been debated in the House, and I think it deserves at least one hour's debate before it finally becomes the law of the land.

The main object of the bill is to create a new statutory holiday for Canadians. As I understood the unemployment statistics which were released earlier this week, we have a great number of Canadians on an enforced holiday. While the figures seem to have dropped substantially for December, the January figures are not comparable in any way. In fact there were some 100,000 more people out of work in January than there were in December. On the other hand we hear people from all sides, irrespective of party, saying that the country has problems.

The Prime Minister (Mr. Trudeau) says that the system under which we have been accustomed to live is not working properly and that changes must be made. I suggest that it is certainly not the way to make the system work by lessening the amount of work done in the country. All of us being human, the great majority of us would rather work less than more if we had the choice. I do not think there is anything magic in improving the soul by being forced to work, and therefore we should always be looking for measures which would give us more time to fulfil ourselves without being engaged in drudgery. Nevertheless, as I have said, we have heard calls from all sides to make Canada more productive. It does not seem to me to be appropriate at this time to be calling on people to work less.

If this measure is passed the wage bill for the month of February would be increased by a minimum of 5 per cent, if one considers the normal working days to be 20 days a month, but of course there are certain jobs that have to be done whether or not there is a holiday, and those people who are compelled to work on that day will probably get time and a half as a minimum for the work they do, and in some cases double time or more.

As a country we already have a very high cost economy. I know there is at least one group in the country which feels that this holiday was promised to them. I refer of course to the railway workers. Apparently when the Hon. Emmet Hall was arbitrating in the pay dispute with the railways in either 1973 or 1974, the last time there was a strike in the industry which resulted in the House passing legislation to force railroaders back to work on the understanding that their claims would be arbitrated, that learned arbitrator inserted a clause in the settlement stating that the workers would receive another holiday called Heritage Day. I find it passing strange that that learned gentleman would think that whatever he said would be binding on Canadians at large. I know he was given wide powers to settle that dispute, but I do not ever recall any legislation setting up that arbitration giving him the power to establish a new holiday.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Is the hon. member not aware of the fact that at the time the Hon. Emmet Hall made that award a bill approving Heritage Day had already been passed in a committee of parliament, so the idea did not come from him? He was simply working on something that parliament was talking about and was expected to pass.

Mr. Schumacher: Madam Speaker, I am certainly aware of that but I find it very surprising that the hon. member should now be espousing the view that if a measure is passed through a committee of one of the houses of parliament, that gives it some sort of legislative authority.

Mr. Knowles (Winnipeg North Centre): It gives it a good start.

Mr. Schumacher: The hon. gentleman has been here a long time, I know, but I have never heard that type of philosophy espoused by anybody associated with the legislative process in this country, that just because something has received committee approval it will become the law of the land!

Mr. Knowles (Winnipeg North Centre): I wanted the hon. member to tell the House the truth.

Mr. Schumacher: I was not telling anything but the truth. The fact is that the Hon. Emmet Hall at one time was a member of the Supreme Court of Canada. I would have thought that if the hon. member for Winnipeg North Centre (Mr. Knowles) did not understand the legislative process, maybe the Hon. Emmet Hall, being a learned student of the law, might have had some understanding of it. It seems to me that it was a complete misrepresentation of the situation for railway workers to have an arbitrator produce something like that in his report.

I understand why railway workers might feel they have been "had" to some extent by that award. I suppose you could criticize their own representatives before the arbitration tribunal for allowing that learned gentleman to make the finding he did, but it would seem to me to be only common sense for anybody to understand that nothing is the law of this land until it has passed all stages in both Houses, and received Royal Assent.

Nevertheless, we could look at the railraod situation as it applies to holidays. Throughout history the western part of Canada has suffered problems in the transportation industry.

When driving west last summer when the House recessed for the summer I was passing through the prairies on a weekday, not a week end, and I noticed there was a great number of trains moving on the transcontinental tracks, whereas in September when I was returning to Ottawa, also by car, and I travelled through the same part of the land on a week end I did not see any trains moving

on the tracks. I wondered at the time what was the difference.

I made some inquiries about why trains do not move in this country on the prairies at least on weekends in the summertime, and I was advised that for one reason or another the railway companies are unable to make up crews to operate the trains on week ends in the summertime in western Canada. I am sure there are shift differentials and added pay for working on week ends, but it appears that employees of railroads like their week ends off and are not too concerned about working on week ends. If they will not work on week ends even for added pay, I think it would be a mistake to create a situation which would shorten the amount of time available for use by Canadians of their railway facilities. Of course that does not apply to Canada at large but is one of the added expenses. At this time when we are trying to cut down costs why we would be proceeding to do something which would add cost to our economy is just beyond my comprehension.

● (1610)

We have been told that we need to stabilize the situation, to work harder and produce more. We have been warned by the government that that will happen even if we do not want it to happen. The Prime Minister pointed out in pretty clear terms at Christmas time that Canadians could expect a great deal more government intervention and direction if they did not get hold of themselves and get things moving on their own. Yet here we are with a measure proposing another non working day.

As I pointed out before, a high rate of unemployment continues to plague us, and it does not matter which way the statistician serves up the figure, there is still an increasing number of people out of work this winter. I wonder how those people who are unable to work and want to work feel about our creating an enforced holiday for everyone. Upright and responsible Canadians who want to find work, restore a feeling of individual independence and self-respect, and perform a productive function within our work force are denied that opportunity. I am sure that when those people look at their dwindling savings and consider their future and the future of the families they are committed to feed, clothe and house, there is a feeling of deepening bitterness and resentment that their elected representatives should be wasting the time of the nation discussing holidays when our real function should be to come to grips responsibly with the problems and to do our utmost to fulfil the promises made during several election campaigns in the past.

We hear constant complaints from parents and others about the increased number of holidays granted in schools today. Most of us, I believe, sympathize with this view. After all, we in this House can hide behind the fact that that is a provincial responsibility. The issue of the creation of a new national holiday is one we cannot hide behind. It is a federal responsibility which we should look squarely in the eye and reject this proposal, even though it may not be a very popular decision with some elements within our society who are all too eager to jump at the chance of a day's pay for no work, which is what this boils down to in reality.

[Mr. Schumacher.]

We all know how the Liberal government talks out of both sides of its mouth from time to time, and I suggest it is doing it on this occasion. Of course it has the valiant support of its friends in the New Democratic Party. The Liberal government says work harder and produce more on the one hand, while on the other it is encouraging us to take another holiday.

The government spoke out of one side of its mouth with regard to wage and price controls in 1974 when it ridiculed this as an answer to our economic difficulties and won a campaign on the strength of this ridicule. Now wage and price controls are in effect, and that is just something from the other side of the Liberal mouth.

For the rest of us to follow this duplicity would be completely irresponsible and would constitute a betrayal of what we were sent here to do and what was vested in us by the constituents who elected us in the last election. They sent us here to try to restore some credibility in the government of the country.

How can we tell Canadians to cut back, tighten belts, work harder, bend their backs and produce much more, and yet at the same time create another holiday? The last time this issue came before us I stood against it, and I am standing against it now, notwithstanding some editorial criticism in one of Alberta's leading newspapers. I must say that on the other side of this question I received a great deal of correspondence and other messages from people who agree with the point of view I am putting forward, not just from my constituents but from people across the country. It is interesting to note that of the very few who did not agree with me one writer suggested I was advocating he slave away until midnight. I never suggested longer hours for anybody. I merely stated that we should not shorten the work cycle more than it is now.

I should like to give someone else a chance to participate in this debate, but it boils down to the fact that if the hon. member for Windsor-Walkerville (Mr. MacGuigan), who proposed this bill, has his way, we will have a holiday which is a movable feast. It would not commemorate any particular thing. There are two or three things suggested in the bill, and from then on it would be up to the cabinet to decide what we would commemorate each year. That bothers me, because if there is not one thing we are commemorating, what are we doing this for? If there is not one particular thing which is worth-while having an annual holiday for, then I suggest it is not worth-while, leaving aside all other considerations.

In summary, I cannot see any purpose for creating another non-working day in this country at this time.

Mr. Heath Macquarrie (Hillsborough): Madam Speaker, with my usual brevity I should like to say that I am highly enthusiastic about this bill, and I am always depressed that in these private members' hours we rarely get to motions and make decisions. I hope this House will make a decision and support this measure. In my long years here I have noted that far too often when a private member comes up with a good idea it is talked out for years and years, and then the government introduces it.

I remember the suggestion that we have the likenesses of our prime ministers on the currency of the realm, and even while there was a bill on the order paper in the name of the

hon. member for Cochrane (Mr. Stewart), the government made the announcement right under his nose, so to speak. I should like to see the House, on this day when the private member is king for one hour, make a decision.

I am enthusiastic about this measure because in a certain non-Mafia sense I am one of the godfathers of this bill. It embraces the recognition of the founding father of confederation, Sir John A. Macdonald. I tried for many years to promote a holiday on his birthday. He was, unfortunately, born on the 11th day of January, and that was not a good time for a holiday, but believing with Edmund Burke that all good government is founded on compromise, I was pleased in the Standing Committee on Justice and Legal Affairs to go along with the suggestion that we designate Macdonald, the national flag, and the native peoples, and as the years go by that we reach into our heritage and set aside aspects thereof to which we would turn the attention of the Canadian people.

I would be very sorry if in the discussion of a heritage day bill we got into the realm of merely computing a number of working days. The principal purpose of this bill and those asking for it is to try to foster in this representative body a greater feeling for the old fashioned word patriotism, a greater feeling among Canadians for the great men and events of their past and for the essential ingredients of what makes this country tick.

If I can get the chief whip of the government party and the mover of the bill to stop talking, I think other hon. members would hear me a little better.

It seems to me that while the economy of the country may be in a precarious state, and it is, I do not think we would really shore it up, and assure solidarity and prosperity merely by taking a stand against awarding another non-working day. I believe it is not a question of how many days people work but rather of what they accomplish. If we are smart enough in this country to increase our productivity—although it looks very bad now, comparatively—we may move into an era when the working week will not be longer but shorter.

● (1620)

I am happy that we are making some effort in this bill to honour Sir John A. Macdonald, master statesman, architect of confederation and, incidentally, the man under whose regime the legalization of trade unions was accomplished. I think it is appropriate that Sir John A. Macdonald should be linked with this proposed legislation.

I want to commend the legislation to my colleagues in the House as a useful gesture toward increasing our feeling of Canadianism. This country is more than lakes, mountains, and railways; it is the spirit of the people, the unity of the people that gives a sense of Canadianism.

For too long we have been afraid to let our Canadianism show—afraid we might be accused of being nationalist or romantic, or of getting excited. It took years to get Canadians on our stamps, for instance. We are afraid to display pictures or portraits of former prime ministers in our schools in case we be too partisan—even though they have been dead for three quarters of a century. Once in a while we come close to letting ourselves go, as we did during Expo. We do not injure our country, however, if we speak for an hour or two, as we have today, of symbols. Surely a civilized society is one that realizes that symbols are more important than mundane things. It is the spirit of the cathedral, not the bricks and mortar that put it together, that makes it a true place of worship.

I am in favour of asserting our belief in the great heritage of Canada, and if we direct our people to that for one day we will have achieved some useful purpose.

Some hon. Members: Hear, hear!

Mr. Peter Elzinga (Pembina): Madam Speaker, I too appreciate the opportunity to speak on Bill C-208, respecting National Heritage Day, the private member's bill presented to this House by the hon. member for Windsor-Walkerville (Mr. MacGuigan).

Last night I had the opportunity of attending a Kinsmen's club meeting in Ottawa with the hon. member and heard him speak in regard to the bill. One thing we were all made very much aware of by the hon. member was that Kinsmen's clubs across Canada are participating to a very great degree in the celebrations of a heritage day. Because the Kinsmen are so closely associated with this bill I feel it appropriate to commend them not only in this area but in their many areas of involvement in serving the greatest needs of communities.

Kinsmen International is the only true all-Canadian service club we have. I consider it an honour and privilege to be a member of this outstanding group.

Bill C-208 provides:

> —that the particular aspect of our heritage to be honoured on this day should be varied by proclamation from year to year and that the focal point of the celebration for the first year should be the Canadian flag.

On this note I should like to quote from a brochure put out by the Kinsmen's Club of Sherwood Park in my constituency. The brochure deals with Heritage Day and what we should all anticipate. If this bill is passed, in the first year the focus will be on our flag. I think it is worth while to take two sentences from the brochure issued by the Kinsmen's Club of Sherwood Park as follows:

> The national flag is a symbol of Canada which identifies our country throughout the world. It is natural, therefore, that Canadians will wish to treat the flag with respect that such a symbol warrants and will expect others to do the same.

It also says:

> This land means many things to many people. Our common bond is represented by the flag. Wherever it flies, we can be proud.

As I stated earlier, this is a quote from a brochure put out by the Kinsmen's Culb of Sherwood Park. Since they are so closely associated with Heritage Day I think it appropriate that we put some of the accomplishments of the Kinsmen Club organization and its contribution to the community as a whole, on the record.

Kinsmen was started in Hamilton in October, 1920, by a dozen young men serving their community. Today there are over 500 Kinsmen Clubs in Canada with more than 15,000 members in the association.

The Acting Speaker (Mrs. Morin): Order, please. I am afraid the bill does not stretch as far as to talk about Kinsmen Clubs.

Mr. Prud'homme: They make a good contribution to the community.

Mr. Elzinga: Madam Speaker, I stand corrected. When I took several courses they instructed us to use a certain amount of quotation in a debate such as this, and that is what I was attempting to accomplish. I will abide by Your Honour's ruling, however, and not quote the contribution of the Sherwood Park Kinsmen's Club to the community. I think it should be pointed out, however, that Kinsmen is Canada's only service club that is totally Canadian.

I should like to put a question to the hon. member for Windsor-Walkerville who has expressed deep concern about our heritage by the introduction of this bill. I should like to know whether he has ever been a member of Heritage Canada?

Mr. MacGuigan: Yes, I am.

Mr. Elzinga: Thank you. Heritage Canada is truly concerned about the many dominant factors that have made Canada what it is today. In this it is like the Kinsmen Clubs because they have shown their concern for our heritage in many ways.

Even though there are many positive aspects of this legislation I feel it is also imperative that members on both sides register some of the negative aspects of the bill. It has been under the rule of our present Prime Minister (Mr. Trudeau) that Canada has dropped from being the nation with the second highest income per capita to the eighth highest. I question whether we should introduce a bill that is going to give us another holiday when we are in such a situation. This is not an accomplishment of which we can be proud. The bill asks for another holiday and, as the hon. member for Palliser (Mr. Schumacher) said, it will be a paid holiday. I question whether we as a country, as a people who are constantly decreasing our productivity are in a position to endorse this. We are becoming a country that is over-pricing our exports and this trend will continue if our productivity declines as it has in the past years.

I make one final point in regard to this legislation, Madam Speaker. We cannot condemn the government for it because it is a private member's bill, but I wonder how much investigation was made prior to its introduction. Alberta and, I believe, two other provinces already have a Heritage Day under their provincial jurisdictions. The Alberta Heritage Day falls in August. It appears that this legislation introduced in the House of Commons is in conflict with provincial legislation.

In conclusion, Madam Speaker, if we are to be a nation structure in Canada as a whole, it is time we paid more attention to the various provinces and their needs.

● (1630)

Mr. Frank Maine (Wellington): Madam Speaker, at the outset I should like to assure hon. members that I am not opposed to holidays. I am also in favour of recognizing some aspect of our national heritage by holding an annual holiday. The hon. member for Windsor-Walkerville (Mr. MacGuigan) deserves the congratulations and appreciation of the House and the Canadian people for his work toward that goal. There could not, however, be a more inappropriate time than the present to be giving consideration to the implementation of such a proposal. This country just cannot afford to lose a day's production at this time. To declare a national holiday would be to lessen the sincerity with which we have been approaching the whole problem of returning the economy to a healthy state with a good potential for growth in the next few years.

[The Acting Speaker (Mrs. Morin).]

The Economic Council of Canada, in its twelfth annual review, indicated that it will be difficult, if not impossible, for this country to maintain throughout the next decade the record of strong economic growth experienced in the 1960's. Until now we have been able to draw on a steadily increasing labour supply to ensure an annual rise in national productivity. Now that the number of young people entering the work force each year has begun to decline, other options for growth in productivity are having to be considered.

We can attempt to offset the decline in the birth rate by increasing the number of immigrants to Canada every year. Indications are, however, that this approach would be unacceptable to a large number of Canadians. Another option would be to make industry more capital intensive rather than labour intensive. The major problem here is that much if not most of the money needed, assuming it is available, would have to come from foreign sources. We would, therefore, be in the unpleasant situation of having to decide between maintaining what independance we enjoy now and accepting a lower level of productivity, or opening our country up to more foreign influence in order to continue to enjoy the benefits of an expanding economy. The danger that the later choice will become acceptable to many Canadians is very real.

Certainly if there has to be a choice between maintaining our high standard of living by losing more control of our manufacturing and resource industries, and accepting a lowered standard, but with more national independance, the present attitude of Canadians is not reassuring to those concerned with maintaining our ability to act as an autonomous nation.

The Economic Council of Canada reports that Canadians are, in general, relatively complacent about the future of their country's economy. The council warns that our recent slow growth in productivity and the consequential increase in foreign influence have contributed to the erosion of those indigenous capabilities that led to dynamic and innovative behaviour in Canadian industry.

Canadians on the whole are not aware of how badly our country has slipped in relation to other highly industrialized nations. The relatively rapid increase in total national output until now has been based on one of the fastest growing labour forces in the world. When we examine individual productivity, the figures are less than reassuring. Based on data from the Organization for Economic Co-operation and Development, the average annual increase in output per employed person in Canada was almost the lowest of all industrialized nations during the period between 1960 and 1970. This raises the question of just how efficiently we are utilizing human and natural resources in Canada. It also should cause each individual to re-assess his contribution to the economic growth of this country.

I feel very strongly that this is not the time to reward poor performance with another statutory holiday. We are

presently preaching restraint, and to provide for another holiday would only contribute to the present economic malaise.

I am in favour of providing for a national holiday in February and I will be glad to support such a move when the economy regains its strength, but our present situation makes this proposal undesirable at this time.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker—

Mr. Yewchuk: Don't talk too long, Stanley.

Mr. Knowles (Winnipeg North Centre): I shall be only a minute or two. I fully support the bill. I deplore its not having been passed in time for Heritage Day to be celebrated in February of last year. I deplore the likelihood of its not being passed in time for Heritage Day to be celebrated this coming Monday. I have feelings about some of the arguments which have been put forward this afternoon which perhaps I had better keep to myself.

I still think that Mr. Justice Emmet Hall was fully justified in saying to the railroad workers, when he gave them their arbitrated settlement, that he would agree to the workers getting the holiday if and when parliament passed the bill.

Without further ado I say that I support the bill and hope it will pass third reading this afternoon. As a number of members to my right still want to speak on third reading, and as there is not much time for them to speak between now and five o'clock, I wish to propose a motion under Standing Order 6 (5). I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this day's sitting be continued beyond five o'clock, until the proceedings on the third reading of Bill C-208, now before the House, have been concluded.

The Acting Speaker (Mrs. Morin): Order, please. All those who oppose the motion will please rise.

And more than ten members having risen:

● (1640)

The Acting Speaker (Mrs. Morin): I declare the motion negatived.

Motion negatived.

Mr. Knowles (Winnipeg North Centre): Some of those ten were Tories and some were Liberals.

Mr. Guay (St. Boniface): On a point of order, I should like to make it clear to the hon. member for Winnipeg North Centre (Mr. Knowles) that even though ten members did get up to say no to his motion, the bill could be passed before five o'clock, and if anybody knows that, he ought to know it.

Mr. Knowles (Winnipeg North Centre): Question!

Mr. Paul Yewchuk (Athabasca): Madam Speaker, while all of us are very proud of Canada's heritage and wish to make reference to Canada's heritage from time to time, I think this bill is simply a demonstration of laziness on the part of the government and perhaps on the part of the member who has put it forward.

Heritage Day

The Liberal party and the government have a long record of leading Canadians down the slippery slope of the disruption of the work ethic, the destruction of the belief that the people of this country have to work in order to keep the country producing. It seems to me there are many ways of celebrating Canada's heritage without having to stop eight million workers from doing a whole day's work.

The cost of eight million man days of lost work comes out to a substantial figure, and we should give this idea a good deal of thought before asking the country to face a financial loss of that sort.

The Prime Minister (Mr. Trudeau) has become famous for his scoffing at the notion of work and creating the attitude that Canadians need no longer work, that the government would set up a guaranteed income plan and that all people have to do to be acceptable is to be good consumers. I have to take issue with an approach of that kind. We know that in order for Canada to remain productive and maintain its standard of living, which is still one of the best in the world, although not as good as it was, everyone must accept some responsibility for work and productivity.

If we want to celebrate our Canadian heritage I suggest we might do so on July 1. We already have a day off on that date. That is a day which commemorates Confederation, and it seems very appropriate we should celebrate Canada's heritage at that time. As things are, nothing very much happens on that day except that everybody gets a day off and perhaps some communities hold a picnic or arrange a baseball game. The holiday is not utilized to its fullest extent.

As everyone knows, the country is facing a severe inflation problem. The former minister of finance who resigned his seat a day ago, the Hon. John Turner, constantly reminded us that the way to solve our inflation problem was through increased productivity. In my view the proposal in this bill would contribute both to the cost-push type of inflation and to the demand-pull type of inflation, and neither of them are desirable. We should not be looking for ways of getting an extra day's pay without working for it.

Most of us like the idea of taking a day off once in a while, but I would point out that we already have provision for a substantial number of official holidays and I cannot but feel that the hon. member, in putting forward this bill, is catering to the natural desire of some people to be lazy.

The Economic Council of Canada in its last report suggested that because of the decreased birth rate which followed the postwar baby boom fewer people are entering the work force today. We are at the point at which we must decide whether Canada wishes to continue to experience growth in its gross national product or whether it is satisfied to experience no growth. If we choose a growth rate of 5 per cent, for example, it will be necessary to bring in some 300,000 new immigrants a year to do the work which will be required or, alternatively to attract 300,000 women, not presently in the work force, to enter the work force.

Today we are suffering from severe unemployment, but if some growth occurs in our economy over the next five years the Economic Council it suggests is conceivable that

in the absence of the immigration to which I have referred, or in the absence of women joining the work force in substantial numbers, we may experience a labour shortage. It would be ill-advised in these circumstances to give up eight million man days of work.

Mention was made that we might in some way recognize native Indians through this method of taking a day off. That, to me, is utterly ridiculous. If we want to recognize the Indian people, we should fulfil this desire by doing something for them which is meaningful, such as recognizing their aboriginal rights and trying to settle them in an equitable way. Or we should be coming to grips with measures for securing the economic development of their land, or solving the educational difficulties they are experiencing. Or, perhaps, if we want to take time off, spending a moment of silence would be more appropriate in view of the government's record in dealing with the needs of the Indian people. It seems to me the suggestion of a Heritage Day devoted in part to the recognition of the Indian people is a supreme example of tokenism toward people who are experiencing serious problems which must be met by serious proposals so that solutions can be reached.

You may have gathered by this time, Madam Speaker, I cannot support the measure before us, and I hope it will not pass or gain approval during the course of the debate.

Mr. Maurice Dupras (Labelle): Madam Speaker, I find it ironic that Bill C-208 should follow immediately Bill C-68. If members of the House were listening attentively to the words spoken by some of their colleagues I think they would have come to the conclusion that Canada does not need another national holiday. If a Canadian is not ready to be deprived of his favourite American program to increase his Canadianism, what are we doing speaking of adding yet another Canadian holiday.

I was flabbergasted listening to contributions made by others in this debate to the effect that all this means is another paid holiday. To my mind Canada is much more than a paid holiday. I do not believe we should have another holiday until it means much more than that.

[*Translation*]

And this interpretation, Madam Speaker, is not more honourable than the one we hear now and again from those for which Canadianism does not extend beyond the profit dimension. If federalism is profitable, it is good for them. They consider themselves as Canadians. But I find absolutely unacceptable that this Canadianism, this federalism be restricted to some arithmethical consideration and as far as I am concerned the Canadian heritage extends much beyond this consideration, Madam Speaker.

For some people, this paid holiday would be the only benefit from this bill. Some of my colleagues defended quite well the case of our economy which is an economy of austerity particularly when the productivity of Canadians is much lower than our neighbours'. This is no time to toy with the idea of yet another holiday; we should rather be asking ourselves what we could do to streighten out our economy. What could Canadians do to straighten out the economy of their country?

[Mr. Yewchuk.]

● (1650)

I should not like to be rude or unkind, Madam Speaker, but I wonder if it is not typical for Canadians to say: "What's in it for me?" If it gives me a paid holiday, I am all for it, period. But we should consider what Canadian heritage means to Canadians. And if it is the only reason, Madam Speaker, I believe we can multiply holidays as much as we want, but this will never enhance the celebration of Canadianism.

It is time to examine all the advantages we have as Canadians. You just have to go abroad in countries a little less privileged to see all our advantages, the wealth we have in Canada not only in the central area of the country but also in the east, in the west and in the north. In creating a new holiday, in February or on the third Monday or in the fall, the first concern should be the celebration of this Canadianism. It should have a certain meaning. It should represent something for Canadians. But, if it is a paid holiday, I suggest it is not worthwhile and that we should not study this bill any longer. I am convinced that the hon. member responsible for this legislation felt the same way I do about this idea of a national holiday. We could call it Flag Day or Sir John A. Macdonald Day or someone else's day. It could simply be Canadians' Day, because in fact Canadians have benefited from this rich land. And I cannot find a better way of expressing this than by saying in English:

[*English*]

People should count their blessings and evaluate all the advantages that there are for Canadians in having inherited this rich land. This is why I am having difficulty in following the reasons that have been invoked for adding another holiday. This debate may last long enough for me to discover from my compatriots the reason for an extra holiday, apart from the ones to which reference has already been made.

Perhaps we should also try to seek the opinion of the Indians of Canada as to how they see another Canadian holiday. What conception do they have of a truly Canadian holiday for Canadians? Since we are speaking about a national holiday, why not consult the provinces and territories and ascertain their views on what form it should take, on what it means to Canadians? Should it be called "Confederation Day", what I call "Canada Day", or something else?

[*Translation*]

National holidays can be created which have no real meaning. I know I will offend some people but I will give this example: In the province of Quebec, by tradition, June 24 was Saint John the Baptist's day, the patron saint of French Canadians. But in recent years June 24 has been politicized to the point where it is the feast of a small group which celebrates in its own way and according to its capacities. They find that the only way to celebrate is to have an orgy that lasts three or four days, makes a lot of noise, and has no meaning in the province of Quebec for the majority. That is why, Madam Speaker, I am opposed to creating a national holiday if it has no meaning.

As much as June 24 used to have a meaning for French-speaking Canadians in the province of Quebec, today it does not mean anything at all to the very large majority. It

is the lot of a small minority of noisemakers who have been looking at their belly buttons for ten or twelve years. Madam Speaker, I am seriously in favour of finding a formula acceptable to all Canadians to create a holiday for Canadians. But I do not think that the formula being considered is the proper one. We should perhaps start by consulting Canadians in all parts of this country, the provinces, municipal authorities, Indians, natives, so they too will feel part of that holiday. It should not be a holiday made against them but for them and for all Canadians. For that reason, Madam Speaker, I find that the committee perhaps did not spend enough time on this bill, very commendable and deserving as it is of a lot more consideration than it was given.

An hon. Member: Question! Question!

Mr. Dupras: Madam Speaker, when the motion by my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), was introduced we were able to sense that the House was opposed to passing that legislation. And I imagine that it is for the reason I indicated, Madam Speaker, that the matter was not given sufficient consideration and was not examined by enough Canadians to be able to determine if really that idea of a new national holiday could be celebrated in February, and I find that the date is very well chosen for amateurs of winter sports. Since winter sports are the main industry in my riding, and it is in that part of my country that it is best practised, and in the best of traditions, because we have been dedicated to that touristic industry for so many years—

[*English*]

Perhaps I should say this in the other official language of my country. We are dedicated to tourism which has been most successful in my area. Perhaps I would accept such a day because I think it would be a great occasion for Canadians to spend some time in the beautiful part of the country that I represent in this House of Commons.

Some hon. Members: Question!

Mr. Knowles (Winnipeg North Centre): Let us take the vote.

[*Translation*]

The Acting Speaker (Mrs. Morin): Order. The hour provided for the consideration of private members' business has now expired.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. McKinley: Madam Speaker, I see it is five o'clock. I wonder whether the acting House leader on the government side would confirm that on Monday we will continue with Bill C-58?

Mr. Guay (St. Boniface): It is my understanding, Madam Speaker, that we will continue with Bill C-58.

The Acting Speaker (Mrs. Morin): It being five o'clock this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

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

END OF VOLUME X